

Minutes of the Regular Agenda Meeting of the Mayor and Council of the City of South Tucson, Arizona, held Tuesday, February 21, 2023, at 6:00 p.m., at the City of South Tucson Council Chambers, 1601 S. 6<sup>th</sup> Avenue, South Tucson, Arizona.

Staff Present:                   Veronica Moreno, Interim City Manager  
  Lourdes Aguirre, Finance Director  
  Danny Denogean, Public Safety Director and Chief of Police  
  Betty Villegas, Housing Authority Director  
  Josue Licea, Planning Director  
  John Paladini, City Attorney

Councilors Present:           Mayor Paul Diaz  
  Vice Mayor Herman Lopez  
  Acting Mayor Rita Rogers  
  Councilor Anita Romero (Excused)  
  Councilor Cesar Aguirre  
  Councilor Brian Flagg  
  Councilor Roxanna Valenzuela (via telephone)

Others Present:               Daniel Torres, Non-Resident  
  Billy Peard, Resident  
  Angie Quiroz - Non-Resident  
  KP - Non-Resident

#### ITEMS #01 and #02 - CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Diaz called the Regular Agenda Meeting to order at 6:06 p.m. Please stand for the Pledge of Allegiance, and Land Acknowledgment and Mission Statement.

#### ITEM #03 – LAND ACKNOWLEDGMENT AND MISSION STATEMENT

Vice Mayor Lopez: On behalf of South Tucson residents, we honor the Tribal Nations who have served as caretakers of this land from time immemorial and respectfully acknowledge the ancestral homelands of the Tohono O’odham Nation and the multi-millennial presence of the Pascua Yaqui Tribe within South Tucson. Consistent with the City of South Tucson’s commitment to diversity and inclusion, we strive toward building equal-partner relationships with Arizona’s Tribal Nations.

Acting Mayor Rogers: The Mission of the City of South Tucson is to build up this community through mutual cooperation between we, the public servants, and our citizens so that jointly we can build a safer and stronger community. Amen.

Mayor Diaz: The next item on the agenda is Roll Call.

#### ITEM #04 – ROLL CALL

Ms. Moreno: Yes, Mayor and Members of the Council. Mr. Mayor, you have requested I do Roll Call here moving forward for Council Meetings, so I will begin from right to left, starting with Vice Mayor Lopez.

Vice Mayor Lopez. Present.  
Councilwoman Anita Romero. She is excused.  
Acting Mayor Rita Rogers. Present.  
Mayor Paul Diaz. Present.  
Councilor Brian Flagg. Here.  
Councilor Cesar Aguirre is not present.  
Councilor Roxanna Valenzuela is here telephonically.  
Mayor Diaz: She said here.

ITEM #05 – APPROVAL OF MINUTES

Mayor Diaz: Next item is approval of the Minutes of January 17, 2023. Are there any additions, corrections to the Minutes?

Acting Mayor Rogers: Yes, Mr. Mayor. On page 2 of the January 17<sup>th</sup> Minutes, I just want to make sure because I could be missing it, but you hadn't been at the meeting, and you asked me to get John Lashley to get everybody a copy of what he said he wanted to do. And I know that you were going to do it for each person, it's in the middle here. But I'm the type that could have lost it or if it isn't, it's got to be done. It's in the Minutes on page 2.

Councilor Flagg: Yeah, I read that in the Minutes, and it said we would all get a copy of that letter, and I never got it. I would like to get it if possible.

Ms. Moreno: I will put it in your box first thing tomorrow morning. I apologize for not getting it to you.

Acting Mayor Rogers: That would be great.

Mayor Diaz: Are there any more additions, corrections?

Vice Mayor Lopez: Mr. Mayor, I'd like to make a Motion that we approve the Minutes for January 17, 2023.

Mayor Diaz: As corrected.

Vice Mayor Lopez: As corrected.

Mayor Diaz: Thank you.

Acting Mayor Rogers: Second.

Mayor Diaz: It's been Moved and Seconded for approval of the Minutes as corrected. Please do the Roll Call.

Ms. Moreno: Roll Call for the Minutes of the Regular Meeting of January 17, 2023.

Vice Mayor Lopez. Yes.

Acting Mayor Rogers. Yes.

Mayor Diaz. Yes.

Councilor Flagg. Yes.

Councilor Valenzuela. Yes.

Ms. Moreno: Let the record reflect Councilor Aguirre just attended. The Motion passes.

Mayor Diaz: Thank you. So it is noted in the record that Councilor Aguirre is present, correct?

Ms. Moreno: Correct.

Mayor Diaz: So the next item is Item #06.

ITEM #06 - MAYOR AND COUNCIL MEMBERS: REPORTS OF CURRENT EVENTS

Acting Mayor Rogers: Mr. Mayor, I have one to tell everybody, it's that the City Council is going to be in the Rodeo, number one or eight if you see us on TV, and I think we have to be there at 7:00 a.m. and we will be up in front, third stagecoach or something. So, maybe you all can be there. We'll wave for South Tucson. That's the Rodeo, Thursday morning.

Mayor Diaz: Anymore?

Councilor Aguirre: Yeah, I just wanted to mention the last week or two they have been having the Love of Reading for a lot of the schools, and Ochoa Elementary reached out and asked me to come read to some of the kids. But I was unable to at the time because of a Covid scare, but I just wanted to let everybody know it's been the Love of Reading week at the schools this past week.

Mayor Diaz: Great, thank you.

Councilor Flagg: Let's see, I'd like to, I don't think I have to make a Motion but to suggest that at our next meeting, that our Mayor Paul Diaz would give us a report on what's going on with the RTA and also the RTA Next and have a discussion about it so that we can all weigh in on RTA and RTA Next as it relates to South Tucson. So can we do that, City Manager? How do we proceed on that?

Ms. Moreno: Yes, Mayor and Members of the Council. We can ask that we put that on the agenda, Mayor, Councilor Flagg asked for a report from you, and also, I would like it at a later time because we just had our Planning Director come back with a report. I believe I mentioned from our prior conversation that we do know that money is set aside for RTA for the City of South Tucson, and we want to go back and look at where those monies have been dedicated to. I think it's important we go back; those monies have been set aside for quite some time now and those monies have been dedicated to projects that I think Mayor and Council should look at and give comments about and see if it's whether something you're still interested in moving forward. But we will absolutely have a report from Staff and then from Mayor Diaz.

Councilor Flagg: Yeah, and I think all of us on the Council can say what we think needs to happen and weigh in on it. I know that's what the City of Tucson does, and their Mayor takes back what the Council people say.

Ms. Moreno: Yes, and to add to what you just said, Councilor Flagg, I think what you are requesting is that there be a consensus being sent by this elected body for those matters that require the City of South Tucson vote.

Councilor Flagg: Yeah, we need to take, to become experts in the matter and make decisions on it.

Ms. Moreno: Absolutely.

Councilor Flagg: And vote on it, even.

City Attorney Paladini: We need to cut the conversation. We need to keep it real brief, though, when we're asking about putting something on the agenda without getting into the why's, and what-for's, since it is not on

this agenda. Just remember the Council policy that was adopted allows any single Council person to put an item on the agenda.

Councilor Flagg: Yeah. Can I ask you a question? Should we have a New Business as part of our regular agenda? See, I had no place to put that in.

City Attorney Paladini: No, even under New Business, you have to have specific agenda items. For instance, you could have Old Business meaning things you have talked about before but haven't voted on. That would be Old Business. New Business would be your Items 8, 9 or 10 on today's agenda. So it wouldn't make any difference.

Councilor Flagg: Ok.

Mayor Diaz: We need to correct something here, it also that we're at Item #06, Council Reports. I skipped over Call to the Public, so I want to regress back to the Call to the Audience.

Acting Mayor Rogers: Yeah, that's important.

### ***Call to the Public***

Mayor Diaz: I will call for anybody in the audience that would like to talk to the Council.

Ms. Aguirre: Mr. Mayor, we have three cards today for three speakers. The first one is from Mr. Daniel Torres, he is not a resident, and the topic on this 3-on-3 Basketball Tournament.

Mr. Torres: Hello, Councilmembers. This past Sunday, February 5<sup>th</sup>, we held a 3-on-3 Basketball Tournament at the House of Neighborly Services. We had thirteen teams and over 200 community members in attendance. So at this event, we offered Covid and flu vaccines, acupuncture, health resources. We had some food, we had music, so it was a great community event. The winners for the elementary division were the Avengers and the winners for the middle school were the Spartans. So both teams were from the South side community. Thank you for your time, and also, a special thank you to Vice Mayor Lopez and Mayor Diaz for supporting the event and attending and coming out, and to the City of South Tucson as well. Thank you.

Mayor Diaz: You're welcome.

Vice Mayor Lopez: Thank you, you did a good job.

Mr. Torres: Thank you.

Ms. Aguirre: Next we have a card here for Mr. Billy Peard. He's a resident, address 120 E. 28<sup>th</sup> Street, and the topic is Item 10 of Agenda - Opiate Settlement.

Mr. Peard: Good evening, Mayor and Council. I rise tonight to discuss for a few moments Item #10, the Opiate Settlement. The Opiate Settlement, as you may know, there was a large \$10 billion settlement struck between I believe all 50 states, or at least the majority of the 50 states, and several Pharmaceutical companies that you will be discussing later on tonight on the agenda. What I raise tonight is what I don't believe is yet part of the discussion, which is, prior to this settlement coming to light, about six months earlier, in March of 2022, then Attorney General Mark Brnovich crafted a deal in which there would be an agreement among the fifteen counties and the approximately 90 some municipalities in those counties, in terms of how their part of the pie would be divvied up. It's very detailed. I only have two copies of it with me, but I am happy to share it

with Mr. Mayor or City Manager this evening. What that agreement does, it says basically Pima County gets, I'm doing back of the envelope math, approximately \$36 million of that pie. And then Pima County then is responsible for divvying it up to the other five municipalities that reside within Pima County. There is no, at the moment, as far as I can tell from my reading, there's no firm written agreement as to how much South Tucson would receive. The document from March of 2022 reads verbatim, "participating counties and their constituent participating cities and towns may distribute the funds allocated amongst themselves in any manner they choose." And so essentially, my concern is if you approve tonight without a written agreement, the County will divvy it up how it chooses, without any kind of agreement with you specifically. The default assumption is that you will get .3 of one percent of that \$36 million, which comes out to a little bit over \$100,000 based on my back-of-the-envelope math. However, there is language in these documents that suggest that it should not be based purely on population distribution. It should also be taken into account the effect the opiate crisis has had on your local jurisdiction. I would argue South Tucson has borne a larger brunt of that crisis than that .3 of one percent of the County's brunt. The other concern is that the county has a very tangible incentive for ensuring that all five of its municipalities sign on. Again, I'll read verbatim: "By signing on to this agreement and any settlement, a participating county will receive 60% of its available share for that settlement when distribution under the settlement occurs. Any such participating county will receive the additional 40%, the other 40%, by securing the participation of its constituencies and towns as signatories." So the moment you sign on along with the other four, my concern is you lose your leverage, and the county gets the rest of its 40% without any written agreement from you all, the default being you get .3 of one percent. Thank you.

Mayor Diaz: Thank you for your concerns.

Councilor Flagg: That was pretty good.

Ms. Aguirre: Mr. Mayor, the final speaker we have here is Angie Quiroz, not a resident, address 440 E. 22<sup>nd</sup> Street, topic is Norte-Sur.

Ms. Quiroz: My name is Angie Quiroz, and my topic is Norte-Sur. I have some questions about Norte-Sur. I would like to ask that the primary concern is how is Norte-Sur going to affect the residents and small businesses. Legacy businesses have been here for many generations. With the housing that is being built, will it be built for investors or for residents? And will it be market rate or affordable? Affordable housing for whom because there is housing going up at the Marketplace, \$1,000 a month for a studio. \$4,000 a month downtown at the Rendon Building for a two bedroom. Will this displace families? Well, yes, because property values are going to go up. That means the taxes are going to go up. And so it will most definitely displace families. What about the bars, pubs? South Tucson worked very hard to get rid of some bars some years back, there were many, many bars. Will bars and pubs return to South Tucson? Will there be multi-level floors, tall buildings that are going to obscure the views? We have views over here, the Tucson Mountains. We have views of the Santa Cruz Parrish tower. It is very important to many of us that have grown up around the area of Santa Cruz Parrish. What about culture clashes? The affluent moving next door to the low income? It's already happening in our Barrios and I can tell you some stories. For whom is this Norte-Sur development for? How many South Tucson residents know about Norte-Sur? Do they think it is for them? It's gentrification. Gentrification is just another word for urban renewal. I close by asking you to consider doing an impact study and be very wise about who does that study for South Tucson on Norte-Sur. I'll say one more thing, (inaudible, in Spanish) in South Tucson told me once is development is death to run away with life. What Norte-Sur is will be death to our way of life. Thank you.

Acting Mayor Rogers: Thank you.

Mayor Diaz: Thank you.

Ms. Aguirre: Mr. Mayor, that is it for tonight.

Mayor Diaz: Thank you all. We will continue on with Item #07.

ITEM #07 - CITY MANAGER AND DEPARTMENT HEADS: REPORTS TO MAYOR AND COUNCIL

Ms. Moreno: Mayor and Council, we have a report from Planning Director Josue Licea.

Mr. Licea: Good evening, Mr. Mayor, Council. I hope everybody's doing good today. I just wanted to report an initiative that South Tucson is supporting. Mission View Elementary School is going to be celebrating their Centennial year on Friday, March 10<sup>th</sup>. So it's a pretty big, local school that's been around for one hundred years and I would just like to put it out there for the public to know and see if anybody can support it. They are definitely looking for any type of assistance helping out in the community near the Elementary School, and then if people want to attend, I definitely want to see some RSVP's happen on their website. We have a website and it's very simple. It's MissionView100.org. And again, that event is taking place on Friday, March 10<sup>th</sup> from 4:45 - 9:00 p.m. I will put a flyer to your mailboxes here and maybe let me know if you can get the word out to anybody that can make it.

Acting Mayor Rogers: I'll put one in the Library.

Mr. Licea: Perfect, thank you.

Acting Mayor Rogers: Thank you.

Mayor Diaz: Any more reports? Thank you. The next item is Housing. I'd like a Motion to Recess Regular Session and go into the Housing Meeting. If I may have a Motion, please?

Vice Mayor Lopez: Mr. Mayor, I would like to move that we go on to this Housing Board study session and get out of the Regular City Council meeting session.

Acting Mayor Rogers: It's actually the Housing Commissioner's Board.

Vice Mayor Lopez: Yes.

Mayor Diaz: Go ahead and re-state it.

Acting Mayor Rogers: I just wanted to tell you what it was. You're good.

Vice Mayor Lopez: So I move that we get out of the South Tucson Regular Meeting and go into the study session for the Board of Commissioners of the South Tucson Housing Authority.

Mayor Diaz: Thank you.

Acting Mayor Rogers: Second.

Mayor Diaz: It's been Moved and Seconded. Any discussion? Roll Call.

Ms. Moreno: I apologize Mayor. It's up to you if you want to approve this, but I just got passed a card for the Call to the Audience before we enter this part of the agenda. Are you ok with him addressing the Mayor and Council with a Call to the Audience?

Mayor Diaz: Any problem? Ok, go ahead.

Ms. Moreno: It's from KP. The name is KP. This person is not a resident of the City of South Tucson. The address is Las Vistas on Western Hills. The topic is Tucson Marketplace.

KP: Hello, how are you all doing today? Hello everybody. I am just coming here to speak about gentrification that is causing, starting in the center of Tucson Marketplace. At first, we all thought that was going to be for South Tucson, the residents of South Tucson, but now it's slowly turning into a large business park. Collaborative effort that is moving residents out of South Tucson as they build homes in the Center. My main concern is how do we collectively bring together the residents of South Tucson to understand what is happening to their homes. I live in Las Vistas Western Hills. I'm not originally from here. I'm from Dallas, Texas. I came here because of the Military, Davis-Monthan AFB, and what I have seen in that neighborhood since living in that neighborhood the past couple of years, and just knowing what the residents have been through in the past 60-70 years, now for Regina Romero to create a plan in which invest \$10 million into the neighborhood minimally, but the neighborhood was built on landfill where people cannot grow food in their homes because there is trash in the soil. Yet, Raytheon moves across the street, one of the biggest corporations' top three in the City of Tucson, across a neighborhood that is at 80% below the poverty line in Tucson, which is \$33,000. You have 80% of those families that do not work at Raytheon, they do not receive opportunities there, have no ability to earn economic opportunity in order to save their homes. I want there to be a plan to speak to residents of City of South Tucson. Because Regina Romero, she came to our neighborhood, created a plan, didn't talk to us about it, was sick from Covid, that's fair, but has not followed up and it's already about to be March. The original meeting was set for December 10<sup>th</sup>. That, on top of what Angie was mentioning about Norte-Sur is also coming through the neighborhood, but my main concern is what the City of South Tucson is doing to gentrify the neighborhoods surrounding the area, while giving a community benefits agreement that promises each of those neighborhoods \$125,000 over ten years. Even though Costco itself makes, is a billion-dollar corporation. Walmart is a billion-dollar corporation. Raytheon is a billion-dollar corporation. We receive no benefits from these things. They give the tax breaks to the folks that come to this community and start their own businesses. Eight-year tax breaks, opportunity, though, right, and they don't create opportunities for the local population. And they wonder why it's been gentrified. So I just wanted to talk about that and see how it is that we can create a plan. Is there a plan in action to speak to Tucson residents, because there is a lot of complaining about what South Tucson is going to look like when we don't know what is happening on the map. And I want to keep the people here. I'm not here to displace anybody, I'm not here to move anybody out of the way. I live with a 30-year resident of South Tucson.

Mayor Diaz: Thank you.

KB: Thank you.

Mayor Diaz: And thank you to the Council for letting him speak. We are back to the agenda and regarding the Motion and the Second, so if you would, please, go ahead with the vote.



Ms. Moreno: Yes, Mr. Mayor. The Motion was from Vice Mayor Lopez and Seconded by Acting Mayor Rogers for the discussion and possible action to select a standing board of Commission meeting date and location. I'll start with Vice Mayor Lopez.

Vice Mayor Lopez. Yes.

Acting Mayor Rogers. Aye.

Mayor Diaz. Aye.

Councilor Flagg. Aye.

Councilor Aguirre. Aye.

Councilor Valenzuela. Aye.

Ms. Moreno: Motion Passes.

Mayor Diaz: Thank you.

***COUNCIL CONVENES AS THE SOUTH TUCSON HOUSING GOVERNING BOARD IN HOUSING GOVERNING BOARD SESSION FOR HOUSING AGENDA ITEMS. THE HOUSING GOVERNING BOARD IS COMPRISED OF THE CITY COUNCIL AND HOUSING RESIDENT.***

**ITEM #01 - DISCUSSION AND POSSIBLE ACTION TO SELECT A STANDING BOARD OF COMMISSION MEETING DATE AND LOCATION**

Ms. Villegas: Good evening. Mr. Chair and Commissioners, I come before you today as the Executive Director of the South Tucson Housing Authority and the first item I would like to ask of you is to discuss and select a standing Board of Commission meeting date and location. It's been since, I would say November, October was our last official meeting of the Housing Authority and HUD requires us to have a meeting once a month, and we haven't been able to do that, and we don't have a set time. We had a set time and location, but that has changed. So I am asking you tonight to consider a standing meeting, and if you would like to revert back to having these meetings during the Council meetings, that's fine. It's up to you but we really need to start having these on a regular basis so that we can take care of the business of the Housing Authority.

Chairman Diaz: So is there any discussion regarding the meeting time?

Commissioner Flagg: Is it just easiest to do it as just part of the regular Council meeting like the City of Tucson does?

Ms. Villegas: It is, that's easy. The reason that I had changed it when I got here is because I felt that Commissioners should have more opportunity to really understand what is going on with the Housing Authority, but if you prefer to have it just as the City of Tucson does where you just pretty much rubberstamp everything, that's fine, too.

Chairman Diaz: It's not that we're rubberstamping it.

Ms. Villegas: There's very little discussion when you have a Council meeting and then it just prolongs your Council meeting, and so, but it's up to you. I know that having another meeting during the month is hard, too, so we could maybe start earlier. Maybe you could, one option is to start the meeting at 5:00 instead of 6:00 on the days of that third Tuesday of the month, which is today, right. So it would be once a month on the third Tuesday of the month where you could start the meeting at 5:00 and maybe start and have the Housing Authority meeting at 5:00 until 6:00.



Commissioner Rogers: Mr. Mayor, may I speak about this because I heard all this you have given us, because it's real important to me with the budget coming up non-stop, which we will be very angry and very spaced up, etc., if we have to start at 5:00 instead of 6:00, with all the stuff we get on budget at this time. I could see it happening when we get finished with budget, but that's my input about it. And I personally, if you are going to have it on a Tuesday, I would like a third Tuesday because I set things up with leaders invested in South Tucson, if you could make it a third Tuesday here and I'd like that. That's my input.

Commissioner Aguirre: Mr. Mayor, if I could.

Chairman Diaz: Ok.

Commissioner Aguirre: Getting here at 6:00 sometimes can be a little challenge for me because of work and other things I got going on, other responsibilities, so coming in an hour earlier could be really difficult for me at times. For me personally I think it would work better to have another separate meeting. But that's just where I'm at.

Commissioner Flagg: So what are you suggesting for time?

Commissioner Aguirre: Well, for me, it works better to do, since we don't have, I know it might be difficult for others, but adding another meeting to the schedule with first and third Tuesdays, then squeeze one in between, something like that I think would be good. And I think it wouldn't be as long of a meeting as an extended Council meeting. That's my opinion.

Ms. Villegas: Usually, it's about an hour.

Chairman Diaz: Vice Mayor, any preference?

Commissioner Lopez: Sure. I like it on Tuesday at 5:00 and hopefully we can keep it on a regular schedule that we have had in the past.

Chairman Diaz: So keep it.

Commissioner Rogers: And what if you can't make it.

Chairman Diaz: So you want it at 5:00?

Commissioner Lopez: 5:00 we start with Housing then go into City Council meeting at 6:00.

Chairman Diaz: At 6:00. Ok, she mentioned once a month?

Commissioner Lopez: Yes.

Chairman Diaz: So, once a month. Which Tuesday? First Tuesday or third Tuesday?

Commissioner Lopez: Third.

Commissioner Aguirre: Mayor, again, if I could. Especially if we are going to go over Housing things and it's a public meeting, starting at 5:00 is hard for working people to make it down here at 5:00. It's something about the people that work.

Ms. Moreno: Mayor, if I may give my two cents worth, only because I have been exposed to these meetings and convenience of the Staff, and especially the elected officials, and I have seen how it has been difficult for

the Executive Director to plan a meeting outside of these regular scheduled meetings, and people have their lives going on during typical 8-5:00 workdays. So for out of convenience, I would recommend to you all that you maybe keep it at the first or second or third meeting and depending on what you have as far as Council action, you put that action on the first or third, versus just limiting yourself to the third meeting. So if you do first and third, sometimes like today, you put it on today's agenda, because it was convenient, but yet you want your own separate meetings because was convenient. So I'm just saying why don't we just do first and third. That's just my recommendation.

Commissioner Rogers: Mr. Mayor, just to speak to that, I think we want the people in the City of South Tucson to learn about what we are doing, and they would really remember which Tuesday it was happening. Now, it is posted in the Library so they can come, rather than it be the first meeting this month, or third meeting next month, maybe none in the summer and all that. So I would like it to be decided for the people.

Commissioner Flagg: Right.

Commissioner Rogers: That's why I read the Mission Statement every time I come here.

Commissioner Aguirre: I'm in agreement with that. With that, I agree totally.

Commissioner Flagg: Yeah.

Commissioner Valenzuela: I couldn't hear what she said.

Commissioner Flagg: She said either do it on the first meeting of the month or the third one, or the second meeting of the month, and make it that one every single month so that people don't get mixed up and they can come.

Commissioner Valenzuela: Thank you.

Chairman Diaz: So the consensus is we keep it on the agenda, is that correct?

Commissioner Aguirre: I believe the consensus was we could figure out whether we want to do it on the first meeting of the month or the third meeting of the month and set it up so it's always consistent on that date. I believe that was it.

Commissioner Rogers: Mr. Mayor, I want to know what that person here prefers, the first or the third.

Ms. Villegas: If you're asking me, I would prefer the third.

Commissioner Rogers: Me, too. Is that ok?

Chairman Diaz: Keep it on the agenda and it would be on the third Tuesday of the month at 6:00 p.m., well, part of the agenda. Ok.

Commissioner Rogers: We could put you up first.

Commissioner Aguirre: I'm sorry, did we also select the time? Did I hear a time that you decided, 5:00 or 6:00?

Chairman Diaz: Six, 6:00, part of the Regular meeting.

Commissioner Aguirre: I wouldn't be opposed to doing that at 5:30, 5:30 I could do if that helps to get us out of here a little bit earlier if that's ok with you guys. Maybe setting it as 6:00 would be better because then we would always know.

Commissioner Rogers: At 6:00.

Chairman Diaz: Ok, so we do have consensus.

Ms. Villegas: That's all I want, I just want to be able to, and I know the Board, or Resident Commissioner, is not here today. She had a little fallout, and the weather wasn't well, so she was unable to make it today.

Chairman Diaz: Ok, so Item #02.

**ITEM #02 - SOUTH TUCSON HOUSING AUTHORITY GOVERNING BOARD ROLES AND RESPONSIBILITIES**

Ms. Villegas: So Item #02 really goes along with Item #01, which is the responsibilities of Commissioners. As you as Commissioners for the Housing Authority, it is really important that since three of you are new that you take the class, Lead the Way class. I want to thank Councilor Valenzuela who completed it, and I will definitely make sure that I let HUD know. We are having a compliance monitoring March 27<sup>th</sup>, where HUD team will come down and monitor the entire Housing Authority, so if you could try to get that done by then, it would really help us. And then we also have on March 10<sup>th</sup>, we have what they call a REAC Inspection, which is a real estate, it's where a HUD inspector is hired to come and they do a full inspection of the property itself, the grounds all around, and they also select about 26 units to go into and they will check to see, they will do a full inspection of all those units to see if they are ok or not, and then make recommendations to us. We have quite a bit of activity coming up this month, so we are pretty busy at the Housing Authority trying to get cleaned up, trimming trees and doing a lot of work. So that's going on. And so, I had given a handout to all of you on the Board's Roles and Responsibilities and besides there being the on-line classes, there's also conferences that you can attend during the year if you are interested. So if you are interested in attending a conference, I can send out information or sometimes we can bring instructors here to go over some of the important items that Commissioners need to know about how we run Housing Authority. So that's Item #02.

**ITEM #03 - RESOLUTION NO. 23-003 AWARDING CONTRACT/PURCHASE ORDER TO SENTINEL TECHNOLOGIES, INC., THROUGH A 1GPA COOPERATIVE PURCHASING AGREEMENT/CONTRACT FOR THE PURCHASE UNDER CONTRACT NUMBER 1GPA 22-02PV-18 FOR HARDWARE, SOFTWARE, AND SERVICES TO UPGRADE THE STHA BUILDING SECURITY CAMERAS AND AUTHORIZING THE CITY OF SOUTH TUCSON HOUSING DIRECTOR TO ENTER INTO THIS CONTRACT/PURCHASE AGREEMENT AT A COST OF \$131,489.77 AND DECLARING AN EMERGENCY TO EXIST**

Ms. Villegas: If you look at your agenda summary, I wrote down how important it is. Since I've been here the last two years, every time I meet with residents their number one primary concern is always safety and security in the complex, so we have tried to fix the gates then they break them. People get in and we have one security guard that works on the weekends from 9:00 at night until I believe it is 5 or 6:00 in the morning, on Friday, Saturday and Sunday. It's just one security guard and he doesn't always catch everything that's going on. We hear a lot and then when we go look into the cameras, we don't see because of the way, they are old cameras and the way they are positioned. So one of the things we had put in our Capital Improvement Fund is to buy new security cameras and the time has come and this is why we are wanting to award this contract to this company who has the latest and the greatest, I guess, if you will, in security cameras where it

will allow us to have a better look at what's going on. You know, we rely a lot on our Police and Fire, and we get, they get a lot of calls from the Housing Authority and some of them, by the time they get there, there's nothing going on. So if we had better cameras, we would really be able to provide better information to our Police Officers as well when things are going on. So that's the reason, and the funds would come from the 2021 Capital Fund Program which is every year that we get funds for capital improvements, and in 2021 is when we put security cameras, and the deadline to spend that funding is coming up. So it kind of fixes two things: we get the work done, and we are in compliance with the Fund as well. So, if there are any questions?

Commissioner Lopez: I have a question, Mr. Mayor.

Chairman Diaz: Vice Mayor.

Commissioner Lopez: Yes, how long will it take them to install all of these cameras from start to finish? One month, two months?

Ms. Villegas: I'm thinking, it just depends on if they, of course, supply and demand is always an issue, but once they get the cameras here it shouldn't take them more than maybe two weeks at the most, three weeks. They've already come down, they assessed where they're needed. Some of the cameras just need to be moved, repositioned, but they are going to be replaced with this new camera that's 360, not just shooting at one, so there's a lot of gaps where we can't see what's going on, so the 360 will provide more visibility and clarity.

Commissioner Lopez: Thank you.

Commissioner Rogers: Mr. Mayor, I'd like to ask a question.

Chairman Diaz: Ok.

Commissioner Rogers: Basically, I read all that stuff that you are talking about right now, and I think I saw, and I don't know the answer to it, but when it states they're going to do this and this, and this, there's going to be in six parts, and I wondered, of the \$137,000, how much is it paid overall six times of that being done, because I know so many people who get it all and leave the project.

Ms. Villegas: Well, HUD requires us to not, it's a reimbursement contract so they have to do the work before they get paid.

Commissioner Rogers: The whole thing? And before they do the work?

Ms. Villegas: No, well, not before they do the work. They have to do the work and then they get paid.

Commissioner Rogers: The whole thing.

Ms. Villegas: Well, not the whole thing. It would be in phases.

Commissioner Flagg: How did you choose Sentinel Company, and if I'm not mistaken, I saw that they are from Illinois. We couldn't get nothing local?

Ms. Villegas: They do have a local. It's a corporation, just like many corporations but they have a local presence. They actually are here locally, the company.

Commissioner Flagg: Ok.

Ms. Villegas: They have a local company and so they would be able to respond very quickly. That was one of the criteria we wanted.

Chairman Diaz: Ok. So, I'll need a Motion for Resolution No. 23-003, Resolution awarding contract/purchase order to Sentinel Technologies, Inc., through a 1GPA cooperative purchasing agreement/contract for the purchase under contract number 1GPA 22-02PV-18 for hardware, software and services to upgrade the STHA building security cameras and authorizing the City of South Tucson Housing Director to enter into this contract/purchase agreement at a cost of \$131,489.77 and declaring an emergency to exist.

Commissioner Rogers: So moved.

Commissioner Lopez: Second.

Chairman Diaz: It's been Moved and Seconded. Is there any more discussion regarding this Motion?

Commissioner Valenzuela: Mayor Diaz.

Chairman Diaz: Yes.

Commissioner Valenzuela: I just have a question. Did we get quotes from any other companies or is this the only bid we had?

Ms. Villegas: We used a purchase co-op agreement because otherwise we would have had to, well, first of all, let me go back. We have a company that has been providing us these services and we asked them for a quote, and they never got it to us. And so, this is a company that we met at one of the Housing Authority, one of the National Housing conferences, so when we looked and investigated they already had a purchase, co-op purchase agreement that what they call piggy-back out of, and if you look at the justification form, you will see that it is allowable by HUD for us to do that for services and purchases, so we opted to go this route because we felt that, for one, we had the funds and we needed to make sure that it was a reputable company and we felt comfortable with the selection.

Commissioner Valenzuela: Is there a charge for keeping storage? Like I-Cloud storage?

Ms. Villegas: Yes, there's always a maintenance fee that goes along with the service agreement, there's a maintenance service agreement, which we have now with the current company.

Commissioner Valenzuela: I'm having trouble finding it, but can I know what the maintenance fee is?

Ms. Villegas: The current one?

Commissioner Valenzuela: Yeah, how much it would be with Sentinel.

Ms. Villegas: Excuse me?

Commissioner Flagg: How much money for Sentinal, pay Sentinel?

Commissioner Valenzuela: The maintenance fee.

Ms. Villegas: Let me go back to the Attendance A, it shows you the diagram of where the cameras are going. The other part of working with the Cloud is, it's actually going to save us money because right now when our

cameras go down, we have to call the company and then they come out and they charge us by the hour just for coming out. And with the Cloud, a lot of it can be done remotely.

Commissioner Valenzuela: Ok.

Ms. Villegas: So if you go to page 7, it talks about the hardware and the software, and then it talks about, on the back of it, on page 8, it itemizes what all the costs are.

Commissioner Valenzuela: I see, ok. So it's about \$1,000 a unit, \$35,000 a year?

Ms. Villegas: Yeah, that sounds about right.

Commissioner Valenzuela: Thank you, that was my question.

Commissioner Aguirre: I've got a question, if I may, Mayor.

Chairman Diaz: Go ahead.

Commissioner Aguirre: Just kind of looking over some of this on page 6 of 9 where it talks about remote support, so us being the customer, I believe we are responsible for providing security connectivity to devices during configuration and troubleshooting and in the event of internet failure, the customer shall provide alternative access to the device. Do we have back up for internet?

Ms. Villegas: Yes.

Commissioner Aguirre: We do? Ok, cool.

Ms. Villegas: Yes. They will be working with our IT people as well.

Commissioner Aguirre: Ok. I think that is about it. Thank you. Oh, and I did, just kind of to go back to something that was mentioned earlier about times, I believe Vice Mayor you asked about how long the project could take, I did notice that they do have a line in here that says it can take up to eight weeks, but not exceeding eight weeks.

Commissioner Lopez: Thank you.

Chairman Diaz: Any more questions? Discussion? No? Call for the vote.

Ms. Moreno: Yes, Roll Call:

Vice Mayor Lopez. Yes.

Acting Mayor Rogers. Aye.

Mayor Diaz. Yes.

Councilor Flagg. Yes.

Councilor Aguirre. Yes.

Councilor Valenzuela. Aye.

Ms. Moreno: Motion Passes.

Chairman Diaz: Thank you.

Ms. Villegas: That's it, unless you have other questions for me. Alright, thank you.

Chairman Diaz: Thank you. So the next item on the agenda is,

Commissioner Lopez: Mr. Mayor.

Chairman Diaz: Yes, Sir.

Commissioner Lopez: I move to make a Motion that we reverse the process that we get out of Housing, the South Tucson Housing Authority as Commissioners, and go back to the City of South Tucson Council Meeting to continue with Item #08.

Commissioner Aguirre: I'll Second that.

Chairman Diaz: We have a Motion and a Second. Go for a vote?

Ms. Moreno: Yes.

Vice Mayor Lopez: Yes.

Acting Mayor Rogers: Aye.

Mayor Diaz: Yes.

Councilor Flagg: Yes.

Councilor Aguirre: Yes.

Councilor Valenzuela: Yes.

Ms. Moreno: Motion Passes.

Mayor Diaz: Thank you. The next item is Item #08.

***The City Council adjourns from Housing Session and convenes as the City Council into Regular Session***

**ITEM #08 - RESOLUTION 23-05 OF THE MAYOR AND COUNCIL OF THE CITY OF SOUTH TUCSON, ARIZONA, APPROVING THE AMENDMENT TO THE INTER-GOVERNMENTAL AGREEMENT FOR SOLID WASTE SERVICES BETWEEN THE CITY OF SOUTH TUCSON, ARIZONA ("SOUTH TUCSON") AND THE CITY OF TUCSON ("CITY"), AUTHORIZING THE MAYOR AND/OR THE CITY MANAGER TO EXECUTE THE AGREEMENT AND DECLARING AN EMERGENCY TO EXIST**

Mayor Diaz: Is there any discussion on Item #08 or do I call for a, I'll go ahead and call for a Motion.

Councilor Flagg: I have a question. Ok, alright.

Mayor Diaz: Let me go ahead and call for a Motion to Resolution No. 23-05 of the Mayor and Council of the City of South Tucson, Arizona, approving the amendment to the Intergovernmental Agreement for Solid Waste Services between the City of South Tucson, Arizona, and the City of Tucson, authorizing the Mayor and/or the City Manager to execute the Agreement and declaring an emergency to exist.

Acting Mayor Rogers: So Moved.

Mayor Diaz: Is there a Second?

Vice Mayor Lopez: Second.

Mayor Diaz: Thank you.



Acting Mayor Rogers: Any discussion?

Councilor Flagg: So this is the one about the trash?

Mayor Diaz: The trash, yeah.

Councilor Flagg: I thought the City of Tucson picked up our trash. Who's the cooperative procurement membership agreement, or that company, who are they?

Ms. Moreno: If I may, Mayor, Members of the Council. I am going to refer just a little bit to the Executive Summary then I will have the Finance Director, for purposes of clarifying and answering Councilor Flagg's question. So the City of South Tucson entered into an Intergovernmental Agreement (IGA) with the City of Tucson for purposes of picking up the trash. They call them Environmental Services.

Councilor Flagg: Yeah.

Ms. Moreno: So, we've been with them since 2015, so since then, the contract has been amended and this is the time to renew that contract. So the contract was up for renewal last year, actually, on March 31, 2021. If you look at the document, the second page after the Resolution, under 1.2, the term of the IGA expired March 31, 2021, but Tucson has continued to provide services to the City of South Tucson residents. So this is the time where Mayor and Council would adopt the amendment to that contract which has continued since then, to continue to provide services to the residents of South Tucson with picking up the trash.

Councilor Flagg: Is the government procurement alliance a middle person, a middleman?

(Multiple Councilmembers speaking simultaneously)

Councilor Aguirre: Yeah, that's from the last one.

Councilor Flagg: Ok, I'm good about it.

Acting Mayor Rogers: Mr. Mayor, I have a question about it. I know it's about a 5-year contract now and I know that since March of 2021, it has not been paid and it's going to be March 2023. Is that correct or incorrect?

Ms. Aguirre: Mr. Mayor, Acting Mayor. The City of South Tucson itself is not charged for this Intergovernmental Agreement. The residents are charged on their water bill just like City of Tucson residents. And they have continued without interruption of service, and they have been billed for their services.

Mayor Diaz: Any more discussions? Additions? Ok, can we vote, please?

Ms. Moreno: Is there a Motion and a Second?

Vice Mayor Lopez: Mr. Mayor, I make a motion that we approve Resolution 23-05.

Acting Mayor Rogers: Second. We already Moved it.

Ms. Moreno: Roll Call:

Vice Mayor Lopez. Yes.

Acting Mayor Rogers. Aye.

Mayor Diaz. Yes.

Councilor Flagg. Yes.

Councilor Aguirre. Yes.

Councilor Valenzuela. Aye.

Ms. Moreno: Motion Passes.

Mayor Diaz: Just a point of information, I would like to call Item #09 and ask for myself to make that Motion, well, asking for the Motion, then it was so moved, and it was Seconded, then we could start the discussion.

City Attorney Paladini: I don't think we heard the Motion and the Second. When you called for a Motion, I don't think we picked up that there was an actual Motion and Second at that time.

Acting Mayor Rogers: Are we talking about Item #08?

Mayor Diaz: No, I'm asking when I called for the Motion to approve the Resolution on #09, and it be so moved on the Motion, and a Second, and discussion.

Acting Mayor Rogers: Then we get to talk, yeah.

Mayor Diaz: Yep. So we are on Item #09.

ITEM #09 - RESOLUTION 23-06 OF THE MAYOR AND COUNCIL OF THE CITY OF SOUTH TUCSON, ARIZONA, APPROVING, RATIFYING AND ADOPTING THE COMMUNITY DEVELOPMENT BLOCK GRANT - YOUTH AND FAMILY SERVICES FUNDING AGREEMENT BETWEEN THE CITY OF SOUTH TUCSON, ARIZONA, AND THE PIO DECIMO CENTER, A NON-PROFIT CORPORATION

Mayor Diaz: I Move to approve Resolution No. 23-06 of the Mayor and Council of the City of South Tucson, Arizona, Approving, Ratifying and Adopting the Community Development Block Grant - Youth and Family Services funding Agreement Between the City of South Tucson, Arizona, and the Pio Decimo Center, a non-profit corporation.

Acting Mayor Rogers: So moved.

Vice Mayor Lopez: Second.

Mayor Diaz: Do we have any discussion on this, or do you want to do a report on it?

Ms. Moreno: I don't know if there is any discussion on this.

Councilor Flagg: It's \$100,000?

Mayor Diaz: Yes. It comes out of the, she can explain it.

Ms. Aguirre: Yes, Mr. Mayor, Councilor Flagg. The funding was actually approved a couple of weeks ago when the City entered into an IGA with Pima County for CDBG money. One of the items in there was for Youth and Family Services at \$100,000. And so, this would be the time in which we approve the Agreement between the City of South Tucson and Catholic Community Services, Pio Decimo, for that money and for services that we use. We essentially serve as a pass-through for them.

Acting Mayor Rogers: Mr. Mayor, a question I have about it is, it might not fit in here, but you know, we always need to know what we want to be doing about the budget. So, when our only Police Officer that died

here in our great City, the only one, he's on the building that we are talking about and I have asked this Council, or the other Council, helping the family, if we could get a, whatever you call it,

Vice Mayor Lopez: Mural.

Acting Mayor Rogers: A mural of him going on the 6<sup>th</sup> Avenue on the bounds of the John Valenzuela Youth Center. And then when I ask for things, they kind of go away and I was wondering if some of \$100,000 stuff, could, have the children make it.

Ms. Aguirre: Mr. Mayor and Acting Mayor, certainly that is up for consideration by the Director of Youth Services, but because it goes to them to use at their discretion with their Program, so I'm glad you mentioned this.

Acting Mayor Rogers: Well, I know that one of our great Police Chiefs, Sixto Molina, asked me to do it for them and so did the brothers call me about it. Six months ago they asked me, because I think it was the 30<sup>th</sup> year of his death. And so I saw that money coming up, right, over to the Youth Center, so I wanted to know the answer.

Vice Mayor Lopez: So I've got a question. So, there is a picture of him already inside the building and you want another one on the outside?

Acting Mayor Rogers: Outside where I can see it. I don't go inside there.

Vice Mayor Lopez: Well maybe you should.

Acting Mayor Rogers: Maybe I should.

Ms. Moreno: If I may, Mayor, Members of the Council. This would be the time to introduce the Pio Decimo Executive Director, Mr. George Rushing, and the JVYC Program Director Jessica Alderete.

Acting Mayor Rogers: That's great. Welcome. It's good to meet you.

Mr. Rushing: It's good to be here. I'm George Rushing, Executive Director for Pio Decimo under Catholic Community Services and this is our Program Director for the John Valenzuela Youth Center.

Ms. Alderete: Hello.

Ms. Moreno: We appreciate you being here and to answer a little bit of your question, yes, you guys, we absolutely love having this relationship with South Tucson and our community. It's going to be his 30<sup>th</sup> year anniversary of his death, 29<sup>th</sup> year of the Center being around. There is a memorial you are welcome to come visit if you like, but we can talk about that funding. I know that we always ask for more funding from Pima County from the CDBG, but we asked for \$120,000 and I think they only approved \$100,000. As we know, the cost of everything is going up, getting more funding is always, you guys have been a great support to us in asking for that money, but unfortunately from Tucson we haven't got that money, that increase. So that is something we can definitely look at to see what that looks like and move forward.

George Rushing: Outside of those funds, yes, because as you know, those funds are limited and have not been adjusted for inflation, for increased costs or any of those things. But we could partner together to try to raise some funds because I would like to see a professional mural done, you know, although a children's mural

would be great, but to have something that honors him and his family, I would be more than happy to partner with you to try to raise funds to make that happen.

Acting Mayor Rogers: Great, that would be really good.

Mayor Diaz: Great, thank you.

Councilor Flagg: I'd kind of like to see if there's a way that you could ask the kids to see what they want the mural to be.

Ms. Moreno: Oh yes, definitely. I think what the community means to them, what the Center means to them, and that's the thing we get to hear but not everybody gets to hear, so I think that would be great to get the kids' input as well.

Vice Mayor Lopez: Mr. Mayor, I'd like to offer you suggestions that we seek funding from the Pima County Arts Council or anybody that has to do with arts, especially painting a mural, like writing a quick RFP to proceed, like, how you want everybody to compete against each other would be something good to get going to where at least seven, six months from now at least you would have information and be able to make some kind of a decision or select an artist, or something.

Mr. Rushing: Yes, Sir.

Councilor Aguirre: Mayor, if I may.

Mayor Diaz: Yes, go ahead.

Councilor Aguirre: So I have a long history with JVYC, both of my daughters have attended as youths, and my older daughter worked there as a teen, and besides the fact that it's a hub center for the kids to have places to go after school, and also creates a lot of opportunities for children, job opportunities, internships, some educational opportunities that otherwise might not be available to our South Tucson residents and children. And so, thank you all for that big time, and I just want to say that looking at the funding and the Community Development Block Grant, you know, it's not a complaint at all, but the majority of the money that comes from there goes to the JVYC. I think it's an excellent, excellent place for it to go because of all that you do for our community, but I think right now everybody's hurting, even the City of South Tucson. So, I do look forward to working with you all in the future to try to figure out how we can get more funding to you all, through the City of Tucson also partnering to work with other entities to make that happen.

Mr. Rushing: So that being said, I believe that also goes to your Housing, but we are looking for opportunities to find more transitional housing in the southern Tucson area and partner with the City of South Tucson if partners available, and our whole mission is to find more low income housing for people who are trying to get a step up, get a leg up. So if there are any opportunities there, I would definitely like to look at them.

Mayor Diaz: Thank you.

Councilor Aguirre: I'm sorry, George, could you remind me of your last name again?

Mr. Rushing: Rushing, like you are rushing to do something.

Acting Mayor Rogers: It's a pleasure to meet you. Thank you.

Mr. Rushing: Thank you.

Mayor Diaz: Any more discussion?

Acting Mayor Rogers: We have to vote.

Vice Mayor Lopez: Mr. Mayor, I'd like to make a Motion,

Acting Mayor Rogers: We already did.

Mayor Diaz: We already did.

Vice Mayor Lopez: Go to vote, then.

Ms. Moreno: Was there a Motion and a Second?

City Attorney Paladini: Yes.

Ms. Moreno: Roll Call.

Vice Mayor Lopez: Yes.

Acting Mayor Rogers: Aye.

Mayor Diaz: Yes.

Councilor Flagg: Yes.

Councilor Aguirre: Yes.

Councilor Valenzuela: Yes.

Ms. Moreno: Motion Passes.

Mayor Diaz: The next item is Item #10.

ITEM #10 - RESOLUTION NO. 23-07 OF THE MAYOR AND COUNCIL OF THE CITY OF SOUTH TUCSON, ARIZONA, APPROVING THE SETTLEMENT AGREEMENT WITH FIVE NATIONAL PHARMACIES AS SETTLEMENT FOR IN RE: NATIONAL PRESCRIPTION OPIATE LITIGATION, CASE NO. 17-MD-2804 (N.D. OHIO), AND DECLARING AN EMERGENCY TO EXIST

Mayor Diaz: I call for a Motion for Resolution No. 23-07 of the Mayor and Council of the City of South Tucson, approving the Settlement Agreement with five National Pharmacies as settlement for In Re: National Prescription Opiate Litigation, Case No. 17-MD-2804 (N.D. Ohio), and declaring an emergency to exist.

Acting Mayor Rogers: So moved.

Councilor Flagg: I want to discuss and say something.

Mayor Diaz: Do we have a Second?

Councilor Aguirre: What was the Motion? To approve?

Acting Mayor Rogers: Yes.

Councilor Aguirre: Second.

Mayor Diaz: No, no. The Motion is for the Resolution, ok, as it reads regarding the approval of the Settlement Agreement, yes. So now we go into discussion, and the discussion is--

Councilor Flagg: Yeah, you know, I heard the attorney here that was talking about it, who said that if we just approve it right now, we would potentially, we would lose the opportunity to negotiate with the County about how much we get in the settlement and his point was that the criteria for Pima County handing out the money is whose community is affected the most type thing. So I think we should look into it a little more and it sounds to me like we might deserve a higher cut than other jurisdictions in Pima County. So I think we should not, not approve it tonight and figure out how we negotiate a best settlement as possible for the City of South Tucson.

Mayor Diaz: Ok, thank you.

City Attorney Paladini: Mayor, I can talk this through. That statement is incorrect.

Acting Mayor Rogers: I thought so.

Councilor Flagg: Yeah, you disagree with him.

City Attorney Paladini: Yes, I disagree with him because it is not correct. So, if you recall, Arizona Cities and Towns entered into essentially three different agreements. One was with the pharmaceutical distributors, one was with the pharmaceutical manufacturers, and one was called One Arizona MOU. That MOU, that last one, was an agreement amongst the State, the counties, and the cities and towns on how those settlement monies would be distributed. This particular settlement agreement tonight before you is a Settlement Agreement with the five major pharmacy companies in the country. It has nothing to do with how the distribution of those monies happens. That's already been settled by way of this One Arizona MOU that the City entered into sometime around 2021 or 2022. Let me tell you what just happens and what he talks about and some of the references to the Resolution. So, the State of Arizona is divided into what they call a Region. It's basically counties, and the local government share is distributed to each county according to percentages, and Pima County's percentage is 18.64%. Maricopa County is almost 58%, and all the other counties fall into that 100% of that 56% that the local governments get. So there is one MOU. All the settlement money comes to the State, 44% goes to the State, 56% goes to the local governments, counties, cities and towns. Of that 56%, almost 19% comes to Pima County. That is based on a couple of factors, and that is, those factors include not just population, but how the opioid epidemic, if you will, affected counties and cities and towns. I think what was ultimately concluded was that everybody was pretty much affected the same, whether you in a wealthy community, in a middle-class community, or a poor community, the opioids across the board, affected everybody. So what ended up happening with this Agreement, the way these factors are, the amount of opioids shipped to the region, we are talking about people in terms of how, what is the percentage of prescription opiates that were sent to Pima County in this case, the number of deaths that occurred in the county from opioid, and the number of people who suffered basically opioid addiction. So all those numbers were put into some factoring of how the monies would be distributed or shared or allocated, and it turned out it was pretty consistent with population. Phoenix is about 60% of the State's population, give or take. Pima County has about 18, 19, 20%. So if you look at how it was agreed to be allocated, it's not that far off of just population, even though those factors were used. So what it sort of tells you from the numbers is that the opioid crisis affected kind of evenly across the board. It didn't discriminate against poor people, rich people, middle class people, what have you, it was pretty much all over the place. So, the Agreement tonight is to agree to a settlement with the five big pharmacies and that is a total amount to Arizona of \$434 million. Of that, \$243 million goes to local government and then that gets distributed out by way of the One Arizona MOU. So not entering into this Agreement tonight, you essentially give up the City's share because there is no

way to say that this City or any other individual city in the country, quite obviously, is going to be able to go and litigate into that multi-district litigation in Ohio and stand a chance in hell of getting a dime out of it, or some of it. That's why this Settlement Agreement makes sense. It doesn't have anything to do with how it is distributed, it's simply getting your piece of the pie. Now, it doesn't mean that you can't approach Pima County and ask for a greater share if you have a basis or reason or you have a good argument as to why the City of South Tucson should get a greater share than what's allocated, which is around 3% of the County total. I want to make sure that statement is correct.

Councilor Aguirre: Point 3 (.3) percent.

City Attorney Paladini: .3%, right. That's a default number, by the way. So the County essentially, every County has to sort of come to an agreement with the cities and towns and if you don't come in an agreement, then the default number kicks in, which is that .3% and the City of Tucson gets 23% roughly and the County itself gets 73%. And then the reason the counties get these great big percentages, 60% or more is because the counties run Health Departments. The cities and towns don't. And the Health Department is where most, a lot of this funding goes to. It's not necessarily intended for law enforcement purposes, but it can be used for that. And that is some of the rationale as to why some of the counties get the lion's share of the distribution.

Councilor Aguirre: Question, if I may. So reading some of this, I find the section where it says the Health Department actually acts as the leading agency that consults with cities and towns in the county regarding distribution of the funds. So it's basically the Health Department that kind of decides who is going to be distributing the funds.

City Attorney Paladini: Yeah, so -

Councilor Aguirre: So my question to you, City Manager, is have we had any outreach from the Health Department to the City of South Tucson about these funds and how they are divvied up and how South Tucson, has there been any communication with the Health Department to this point yet?

Ms. Moreno: Mayor, Councilor Aguirre, at this point, no, because it's been in litigation, so to speak, so we haven't been contacted, nor have we contacted them to specifically address, you know, the amount we are receiving only because it is already broken down according to what the agreements that have been established. That doesn't mean we can't.

Councilor Aguirre: I just, I'm really working to really understand all the different points on this, just with my experience in the past with governments and bureaucracies, if you don't have leverage to deal with sometimes, that can be an issue, and the way this reads to me it says the county will only get a certain percentage of it until everybody, all the local municipalities sign on to it then they will receive the additional 40% and upward. So I am just, to me, that felt like our leverage to be able to deal with the county to make sure we get the funds that we do deserve. Because, honestly, like this is really a personal matter to me. In fact, on my way here, one of the reasons I was late, I just got a call from my cousin who is now on the streets addicted to opium. I've lost a lot of friends and family over the years, a lot, and it's been really difficult, and so I just want to make sure South Tucson is getting its fair share because we have been impacted, big time. And a lot of the people that end up on the streets, whether they are in the City of Tucson or the City of South Tucson, or where they end up living after they become homeless, they are evicted, they are here in South Tucson. And that's my biggest concern moving forward. Now I don't know how much time we actually have



to approve this, if this is something maybe look at for our next meeting, or not just so we can get more clarity and we can have more time to understand it, but that's kind of where I am at right now. Thank you.

City Attorney Paladini: Let me just clarify, Mayor. That 60%, 40%, if a county signs on, it gets 60% of the monies allocated to it by way of this One Arizona Agreement. So if Pima County's percentage is roughly 19%, and only the county signs on, then the county gets 60% of that 18%. Once cities and towns start signing on, and if the county can convince all the cities and towns in that county to sign on, then it gets the other 40%. But it doesn't mean the county gets 60% and the cities and towns get 40%, like I said, in Pima County, where the county gets roughly 80%. I take that back, it gets 70% because Tucson gets 20 something percent and everybody else is pretty small so gets a smaller percent. And just let me say, typically how these monies are best used is by way of an IGA with other cities and towns in the county. So, if you are only getting a small percentage, then I guess the way to force multiple those numbers is to enter into agreements with either the county or with other cities and towns, or both and use it for a particular program that's allowed to spend this money on. So it could be if there is some law enforcement uses that are allowed, there are prevention, there are treatment programs. The laundry list of what you can do with the monies is huge, even though it is limited. You can't just use it for general fund expenses, for instance. So again, this Agreement is really, to put it bluntly, it is either take it or leave it. If you take it, you have an opportunity to negotiate with Pima County. If you don't take it, you're out. You're not getting a dime. And that's as blunt as I can put it, because it is kind of a formality, I mean, if you don't sign on to it, you're getting nothing.

Councilor Valenzuela: Mayor, I have a question for Jon, if I may.

Mayor Diaz: Go ahead.

Councilor Valenzuela: Thank you for that. I just have a quick question. I see there is a deadline to sign on to this Agreement, April 18, 2023, but you are saying if we don't sign on now then we're losing an opportunity to have that signed?

City Attorney Paladini: Oh no, if you don't sign the Agreement, you don't get a dime.

Councilor Valenzuela: By April 18<sup>th</sup>, correct?

City Attorney Paladini: Right. You have to have it signed and returned by April 18<sup>th</sup>. I'm not sure, I don't know if there are any benefits to delay. We can certainly provide more information but at the end of the day, the bottom line is if you sign, you're entitled to a certain percentage of those funds. Or you don't sign, and you see nothing. It's as simple as that.

Councilor Valenzuela: I want to apologize to you that I couldn't come to you with more questions. We've had a lot going on in our personal lives but I would like more information before we make a decision. It seems like it is just a formality and I'd like more of an opportunity to study this a little bit more, have a conversation with the county, possibly, here in the next couple of weeks so I would love to, I don't know if I would move a motion now to continue this to the next meeting.

City Attorney Paladini: Mayor, that's fine if you want to continue it to the next meeting. I would just advise against talking to the county as individuals. You have to, you should have a unified front before you start talking to the county rather than go at them as an individual Council person because -

Councilor Valenzuela: You're right, I think you're right.

City Attorney Paladini: And I would also recommend you approach the county after you sign the Agreement, because if you don't sign the Agreement, you don't get to play. The Agreement doesn't affect your percentages. The Agreement gives you the opportunity to play the game.

(Several Councilors speaking at once).

Acting Mayor Rogers: We're discussing.

Councilor Flagg: Hey, Mayor, we have until April 18<sup>th</sup> so I hear what you are saying about don't go out as this Council person, that Council person, calling somebody in the county, so I would say between now, and the next couple of weeks before our next meeting that we ask our City Manager to make a call to who, Matt, the County Administrator?

Councilor Aguirre: I believe Theresa Cullen at the Health Department.

Councilor Flagg: The Health Department woman, or Matt Hines is our Supervisor that, you know, represents all of us here in South Tucson at the County. That would be my thing. Do you think, Cesar, it would be Theresa Cullen at the Health Department?

Councilor Aguirre: Yeah, I believe that's who it might be if it's the Health Department in charge of making that distribution. But I'm assuming.

Councilor Flagg: How about if it was her and maybe Matt Hines, the Supervisor.

Vice Mayor Lopez: Mr. Mayor, I'd like to say something. I think we are getting too deep into this. We are talking about something into the future, the decision is not even made yet. All we are asking is let's pass this through and we can always come back to it later on. But holding on to this process is going to hurt us and at the time we try to play catch up it might be too late.

Councilor Flagg: We've got until April 18<sup>th</sup>.

Councilor Valenzuela: That gives us time to negotiate.

Councilor Aguirre: Yeah, once we sign on, we're on.

City Attorney Paladini: First of all, this Agreement you are not going to negotiate. This has already been negotiated for you. This is an Agreement with five major pharmacies in the country. You're talking Walmart, Walgreens, CVS.

Councilor Flagg: Yeah, yeah, yeah.

City Attorney Paladini: You are not going to be negotiating with them. This is the Agreement, take it or leave it. The opportunity to negotiate or re-negotiate, you're not going to re-negotiate the One Arizona MOU either, because it's already been agreed, you already agreed to it a couple years back. So the only thing you could perhaps negotiate is either getting a greater percentage but even if you doubled or tripled your percentage, you are at 1% of the county's total amount. So I think the better strategy if you approve this, the better strategy is to talk about ways of how you can spend it collaboratively with the county, with Tucson and other cities and towns in the county to get the most bang for your buck. Like I said, you are getting .3%, so even if you got it by 10 times, it's still not 3%. I'm not trying to make light of it, but you kind of have to approach this strategically with the county. And I think your best bet ultimately is to approach them with how

do we collectively use this money altogether, so it benefits South Tucson as much as it benefits anybody else at least percentage wise and proportion wise. Again, that is just my recommendation. You do have time. Remember, April 18 is not approval, it's signing the document and sending it off. So I would recommend, we could postpone to the next meeting if you would like, what's that, the 6<sup>th</sup>?

Mayor Diaz: Ok, so the procedure here would be that we have a Motion on the floor and a Second, and there was to, it was for approval, ok. So, if that Motion passes, then that is it, right? If it fails, then the option is to also have another Motion regarding this Resolution.

City Attorney Paladini: Mayor, if I could suggest to simplify it, I would have the person that made the Motion, withdraw the Motion and the Second concur, then just make a Motion to Continue. That way you only have to do one vote.

Mayor Diaz: Well, can the Motion be amended to continue?

City Attorney Paladini: I would just withdraw it and make a new Motion.

Acting Mayor Rogers: Mr. Mayor, I think I was the one who moved it or was it him?

City Attorney Paladini: It was you.

Acting Mayor Rogers: If there's a quorum or six people whatever way we do, we do, and let's go up on the Motion that is the Motion on the floor. That's all we can do.

Councilor Flagg: Can I make a substitute Motion, please?

City Attorney Paladini: No. The person who made the Motion has the floor then and if she's not willing to withdraw the Motion, then we should call for a vote.

Acting Mayor Rogers: I'm not.

Mayor Diaz: Because you so Moved it, the Motion.

Acting Mayor Rogers: And he Seconded it, right?

Mayor Diaz: Ok. But you have the option to withdraw it.

Councilor Flagg: She doesn't want to.

Mayor Diaz: If you concur to withdraw this particular one, ok, then we go with a Motion to postpone it for more information before the deadline.

Acting Mayor Rogers: For me, I don't care to do that, so am I allowed to keep the Motion I made?

Mayor Diaz: Yes. Yes.

Acting Mayor Rogers: That's how I am.

Ms. Moreno: Ok, I'll do a Roll Call.

Vice Mayor Lopez. Yes.

Acting Mayor Rogers. Aye.

Mayor Diaz. Yes.

Councilor Flagg. No.

Councilor Aguirre. No.

Councilor Valenzuela. No.

Ms. Moreno: There's a 3-3 vote.

City Attorney Paladini: So it's a tie. Since the Motion doesn't pass, now you could make another Motion to continue it to a date certain, like the next meeting, so we know it goes on the next Agenda.

Councilor Flagg: I move that we continue this to the next meeting, March 7<sup>th</sup>, and in the meantime, our City Manager talks with the Health Department, Pima County Health Department Chief, and if she thinks we should check in with Supervisor Hines, County Supervisor Hines, and then come back on the 7<sup>th</sup> and vote for this.

Councilor Aguirre: I'll Second that.

Mayor Diaz: So, the Motion is to

Councilor Flagg: Put on the Agenda for the next Council meeting March 7<sup>th</sup>.

Mayor Diaz: But should this Resolution be brought back on March 7<sup>th</sup> with more information?

Acting Mayor Rogers: Yeah, that's enough.

Councilor Aguirre: Is it open for discussion yet?

City Attorney Paladini: It's a procedural Motion so you're really not allowed to discuss it.

Councilor Flagg: With our City Manager connecting with the appropriate County person, the Health Department, Theresa Cullen.

Mayor Diaz: So it's March 7<sup>th</sup> to bring it back. And there was a Second.

Ms. Moreno: Roll Call.

Vice Mayor Lopez. No.

Acting Mayor Rogers. No.

Mayor Diaz. No.

Councilor Flagg. Yes.

Councilor Aguirre. Yes.

Councilor Valenzuela. Yes.

City Attorney Paladini: You have a stalemate, Mayor.

Councilor Flagg: So it just comes back?

Mayor Diaz: Ok, so we don't have an agreement, the Motion is failed both ways as far as continuing, so at this point in time I guess the Agenda Item #10 is

Vice Mayor Lopez: In limbo.

City Attorney Paladini: Yes, as the Mayor running the meeting, my recommendation to you is just use your prerogative to continue it to the next meeting at this point because you're at a stalemate.

Acting Mayor Rogers: Is he allowed to Table the Motion?

City Attorney Paladini: At this point, yes.

Acting Mayor Rogers: That's what I would do. There's no discussion on the Table.

City Attorney Paladini: If you just want to Table it, Mayor, and have Staff put it on next Agenda.

Mayor Diaz: So, it will be on the next Agenda. The Resolution will be on the next Agenda.

**ITEM #11 - MAYOR AND COUNCIL - DISCUSSION AND DIRECTION REGARDING IMPACT STUDY**

Mayor Diaz: This is by myself in regards to the Impact Study regarding the housing gentrification. I'll go ahead and read it. "Impact Study, How we Right Housing Gentrification, Norte-Sur ETOD special services structure, economic development for South Tucson. The impact study would project cost and benefits and require Code changes to address these issues. Consulting with City Staff, businesses, residents, renters, potential partners and City Council, housing gentrification has changed the City. So let's find out how to keep our identity. Norte-Sur ETOD is in the planning stages. Using the impact study will know the benefits and the effects from South Tucson's point of view. How can we rearrange the City for the best support for economic development. We will negotiate the contracted scope of service." And really, this is similar to the step that the RTA funding will happen, sad to do. In other words, I'm asking for consensus in regards to the impact study being done so direction as to go ahead and do the impact study and as far as asking for funds and all this other stuff will come later, and also the scope of work, again, it is up to us to discuss it before we actually go into the, if there is consensus to do the impact study, the scope of work will go into everything we need for the impact study. So I would like to go ahead and get comments in regard to that.

Vice Mayor Lopez: Mr. Mayor.

Mayor Diaz: Yes, Sir.

Vice Mayor Lopez: I would like to recommend that we get an updated briefing from the committee from Sur de Norte. The simple reason is because it's still in the process of being created and I think we are getting a little too far ahead of ourselves even before we actually know what the actual time is. But it is nice to be able to plan for something that does and will or might affect our community, but the point is we don't want to lose an opportunity to bring something new to the City just because we want to leave it the way it is. We need to change the way we think in order to go along with the program that is with the City of Tucson, with Pima County, so that other cities can go along and hopefully prosper in the future as time goes by. That's all I have, Mr. Mayor.

Acting Mayor Rogers: Thank you.

Mayor Diaz: Thank you.

Ms. Moreno: If I may, Mayor, previously, or I think it was the same day or evening the three newly elected Councilmembers got sworn in that evening, there was a presentation from the Norte-Sur group who works on the City of Tucson. So there was a lot going on that evening but as far as being staff on the committee, our Housing Director Betty Villegas is on that Board and she is very involved, she knows what's going on to date. As you mentioned, Vice Mayor Lopez, it is still very much in the infancy stages, in the planning stages, so I think that Mayor and Council, having your input is very important, and because we are in the infancy stages I

think that everything that the Mayor has outlined could be put in terms of the planning when you talk about, you know, legacy families, homeowners, property owners, and how there could be language placement to the final so that they don't get affected and they are presumed to be affected by it. Those are the conversations worth having, but for purposes of just giving you an update as to what is going on as of now, I know Betty, we were prepared to do this but not during the Housing Board meeting, so she is going to do it during this time. And you can ask her questions and we can come back. But not particularly from Mr. Diaz' point, and what he is asking but I think it's important that she give you an update.

Ms. Villegas: So as you know, I have been on the Community Group, I was in the first working group for Phase 1 where it was pretty much community engagement, getting feedback from community, educating the community on what ETOD was, Equity Transit-Oriented Development, and if you remember, I gave you all a copy of what I read at the meeting, and to let you know that nothing, nothing, nothing has been decided. Nothing. Phase 2 is more community engagement, more policy and program, well, with program and policy possibly being the goal. And so at this point, in fact, I've sat on a committee where they're still looking at selecting a consulting group to go into Phase 2 so that they can do more focus groups, they can do more outreach and decide what is it that the different communities need and want. I know, as I told you before when I spoke at the last meeting, and I'll even read it here, for our South Tucson residents the transit may create, will create a change in our community. Our legacy businesses, homeowners and renter residents, must be the first to benefit from any economic and community availability of services following the installation of any proposed transit. So it's too early. It's too early, you know, I got an email from Carlos Lozano who represents South Tucson on the Historic Preservation Commission, and he was concerned after listening to the Board meeting, from this Council meeting, when the presentation was given. And I told him the same thing, it's too early. His concern was, well, what if they start knocking down buildings and what if those buildings are significant. And what I told him is, how do we know what buildings are significant to South Tucson if we've never done a cultural asset mapping to see, to talk to community, to see what are the buildings that we would want to make sure, regardless of if transit comes in or not, that we would want to preserve. So preservation is a big issue in what community wants here, you know. As residents, you as residents and community, we want to make sure that the buildings that we feel are important to this community are preserved. And so we as community need to back them up and we need to register them somehow, right. So, there is so much work to be done that if you want to do an impact study, it's really too early for that because the ETOD group is doing the impact study, that is what they are doing right now. They are hiring people to do that. They are hiring a new consulting firm to go into Phase 2. They haven't even done that yet. So I would say to you that it is important to keep an eye on this. It is important for me and someone that is on this committee and representing South Tucson, for me to keep a close ear to it. I don't know, I have a vested interest in this community, too, and I don't want the legacy businesses to go away. I don't want the legacy families to lose out on anything. So you all have to trust that I am looking out for the best interest of South Tucson and being appointed to this committee and this ETOD group. So I would, in my opinion, of course you as the Council will have the final decision, but what we need to be looking at, and what we as Staff need to be looking at is what are some of the policies that you all can put in place to prevent displacement, to protect businesses, to protect the legacy families. Whether it is policies you put in place, regardless of whether transit comes in or not, because if it's not transit, it's developers, right. It's not just transit. And by the time this transit comes through, it could be a bus, a rapid transit bus. I doubt if anything would be torn down if it's a bus, you know, they don't even know what vehicle it is going to be that's going to go through here at this point.

Mayor Diaz: Ok, thank you.

Ms. Villegas: If you have any questions,

Mayor Diaz: Just that, my opinion is that we've seen quite a bit of the professional people come in and do urban renewal that did not take into consideration, even though they received all this input, and what I am really trying to get at here is that it be done from the South Tucson point of view. And I'm looking at dollars and cents, dollar signs, dollars. And in this case for the word opinion of what was said or what was written down, we need facts, we need figures in respect to what impact it is going to do to South Tucson. And again, these businesses are in the business of doing impact studies and they have a tendency to be from the outside, not from the inside looking out.

Councilor Flagg: Right.

Mayor Diaz: And what we need is from the inside to look out and tell them under the scope of work exactly what we want them to look at. We want them to look at, like I said, economic development. And again, I can put it down, maybe, but it's actually redesigning South Tucson, you know, if we have to or how we can do it. And that's going to be shown in the impact study, that's where I'm at going for.

Councilor Aguirre: I totally agree with a lot of what you said, Mayor.

Councilor Flagg: Yeah.

Councilor Aguirre: And I think in the past, in my experience I dealt with that especially with the City of Tucson where you have a lot of public input that's not really public input, it's more like, would you rather have A, B or C versus what would you really like to see in your community. So, the idea of just going along with the program, I'm really not with that because I've seen what happens when we go along with the program. There's been communities that have been decimated because they went along with the program thinking that they are going to get really good things in return for allowing development to come into their community, and it just decimates them. So, with all of that being said, I think you're totally on the right path. I think that we need to have a perspective that is true to South Tucson when we are developing.

Councilor Flagg: Yes.

Councilor Aguirre: It's not about keeping South Tucson the same but growing the beauty we have from within already and making that displayed out to the rest of the City to see.

Mayor Diaz: Thank you. So consensus is,

Councilor Valenzuela: Mayor, if I may.

Mayor Diaz: Go ahead.

Councilor Valenzuela: Thank you for your point but I think we are getting ahead of ourselves, and I think the Council should be getting together and discussing different options with different policies, as you said, that you can explain, but I think before we look at hiring an impact committee that we as a Council should sit down and discuss this. So that is what I propose.

Mayor Diaz: Thank you.



Vice Mayor Lopez: Mr. Mayor, I would like to say something. You know, this project is going to start within the next five, ten, fifteen years from now. I think we are wasting our time with this nonsense, where we can do it one time when the time comes when they are ready to present it to us. We have plenty of serious issues that we need to take care of in the City, and I think we need to pull back and focus on those issues which are very critical, and I think we need to work on that and let the county take care of the other study you are proposing because you are wasting time.

Acting Mayor Rogers: He means the whole City.

Mayor Diaz: No. Again, it's not being too far in advance to propose it because of the fact that if we start now, we will have answers for them when they come and do their part of it. We will have facts and figures to counter if it's going to really affect the City in a way that we don't want it to affect the City. And yes, I understand that we will more or less contract it out or do something to that. We ourselves are not going to be involved in it other than the fact that we are working on the scope of work that needs to be done. And also that the, again, the mention of finding a contractor to do it properly, I think there will be time to do that especially if we can get one that has a perspective of South Tucson or at least knows where South Tucson is at. So getting started early I feel we can have those answers or have something to that effect that when this plan gets finalized, that we have facts and figures for them. That's the way I feel.

Councilor Flagg: Yeah, I agree with you that the need to start early is everything and that we need to do that, but I don't know, how do you do an impact study? Do you want to contract out some consultant to do some study. I think kind of what Roxanna said, we as the Council need to talk about this and do our own study. We live in South Tucson and know boatloads of people that live here, get them involved as was part of your statement, and get it on and not go out and like try to put our money into some consultant somewhere. Like the way you started off your thing about these high-powered smart guys that come in and tell us what to do, I don't think we need to spend money on that. We ourselves got the whatever, the umph, to study this and do it without spending City money or even time on it.

Mayor Diaz: Ok, I agree with that as long as we still keep the focus on the impact study.

Councilor Flagg: Right on, we can do it.

Mayor Diaz: We can if, you know, there's a lot of people willing to help, locally, and so forth. We can put something together with respect, as long as we keep the focus on the impact study for South Tucson.

Councilor Flagg: Yeah, I'd like to work with you on it.

Mayor Diaz: Ok, so if I have consensus I will go ahead and direct the City Manager that the Council, in coordination with the rest of my statement here, develop an impact study program, I guess, to follow that and present it to the Council which direction we are going to go and so forth so everybody knows what we are doing, and everybody will keep data coming in and we will put something together to finalize their statement. Is that more or less a Direction?

Councilor Valenzuela: Can you please repeat your motion so I understand.

City Attorney Paladini: Just to be clear, you don't have an agenda for a Motion. You can give Direction to the Manager.

Acting Mayor Rogers: But he did present this to us.

Mayor Diaz: Ok, thank you.

Ms. Moreno: I have a couple questions, Mayor and Council. So do I understand, am I going to be receiving policy information that you are going to be asking from the residents after you do the study? You are all collectively going to go out and ask questions of the community members and then come back and bring it to Staff to put it together in a packet, so to speak?

Mayor Diaz: Well, for us, I believe what we are asking is that we gather some of the information, dollars and cents. And also what direction that economic development can take place, so I understand that there are people that are willing to help out with economic development. That information gathering from the Council would be directed and with that information we will pass out flyers to the community to let them know where we are at, what we are looking at, and so forth. And then the next step of course is the presentation of the actual putting everything together that we have, you know, what the community said, the businesses said, etc. So the final step would be to put that together and present it again to the public and say, hey, this is what we are looking at, this is what is going to happen, and of course, I would present it to the, well, we would keep an eye on what the ETOD is doing and do our input at that time if that's what they wanted.

Ms. Moreno: Ok.

Acting Mayor Rogers: Mr. Mayor, I have to talk to Mr. Attorney because I don't understand. What he is talking about is on the Agenda tonight, Agenda #11, of which he, on purpose, put the discussion and direction regarding the Impact Study that he would like to declare. And then he gave each one of us in that 3-ring binder what it would say. So, I don't understand why we can't do anything about Item #11 on City Council Agenda.

City Attorney Paladini: I'm not sure, what I'm saying is, it's direction. So direction means you can give direction.

Acting Mayor Rogers: For who?

City Attorney Paladini: We are not taking a vote.

Acting Mayor Rogers: Yeah, so he can draft it, ok.

City Attorney Paladini: That's what I said, yes.

Acting Mayor Rogers: Thank you. Whatever you said gets what's happening and it all gets typed in, because I read the Minutes. Thank you.

Mayor Diaz: Is that ok?

Acting Mayor Rogers: That's what it says.

Ms. Moreno: With wishes of Council, yes, we will move forward, and I was thinking, if you recall, it kind of reminded me of former Councilmember Oyegbola, he sent out a survey to every property owner within the City and he asked some very general questions. I would have to go look for the results, but they were specific to, what do you think about South Tucson, how can we improve the City, what are your likes and dislikes, something like that. So I don't know if maybe if you are asking for a format where you go out, door-to-door and ask questions of the community, or you want something mailed like you said, flyers.

Councilor Flagg: We should talk about it.

Ms. Moreno: So that can be discussed later, I'm just, for purposes of brainstorming as to how you want to communicate to the community members, property owners, businesses and things like that.

Mayor Diaz: Thank you.

Acting Mayor Rogers: Mr. Mayor, what I think about because it was put on as #11 and he could decide what he wanted to do and put it in front of all the rest of us, just do it together.

Ms. Moreno: Right, of course.

City Attorney Paladini: Just to make it clear, this is giving Staff direction to bring you information back. You're not giving Staff any authority to make any decisions. You are asking for information so that you can do ultimately your own impact study.

Mayor Diaz: Yes. Ok, Item #12.

#### ITEM #12 - FINANCE DIRECTOR'S REPORT & UPDATE: GENERAL FUND OVERVIEW

Ms. Aguirre: Mr. Mayor, Members of the Council, good evening. I will try to be as brief as possible, but there is some really good points I want to review. The first item, the following item, what you received in your packets are the City's financials for the General Fund. That's what we are going to be talking about today. It's a General Fund overview, where we were, where we're at, and what we are looking at. That's why I put these overviews together for your perspective. And then, where we are at and where we are going. So in the packet, the first page was just a summary. I just wanted to put it on one page for you guys to look at at a glance to get an idea as to where exactly your daily percentages are compared to the budget. And I am going to put some copies over here for people in the audience to look at if they so wish to. So this is in line with the budget that was adopted last summer. Mayor and Council adopted the budget with \$6.25 million in revenues and you can see the breakdown there. The majority of our revenues come from city sales tax and state shared revenues. Also, Mayor and Council adopted expenses at almost \$6.3 million. That left a slight deficit of \$41,000. So Mayor and Council did a really good job of reviewing numbers and coming up with a plan on how to utilize the funds. For those of you who are new on the Council I want to let you know that the budget is available, budgets and financials going back as far as 2007, they are all posted on-line under Government, Finance, and then Finance, and it's the tab on the left. Click on Budget and Finances. So essentially it's page 58 of the current year's budget that contains a breakdown of Mayor and Council's decisions and how we narrowed it down to that deficit of \$41,000. So that comes out of Fund Balance. So currently, one of the things that you may have noticed is that city sales tax is tracking a little below 50%. At the end of December we were at the 50% mark, right, because that was half of the year. Sales tax we are at 37.9% but I want to let you all know that city sales tax collections are always about a month and a half behind. So we won't know what the current fiscal year's actual city sales tax revenues are at until about mid-August. I won't be able to have that information to report back to you until the beginning of September. So that's pretty much what that is. Another thing that I want to point your attention to is licenses and permits. So you might have noticed it's tracking a little higher than we had anticipated, at 66%. So, certainly we will take a look at that when we look at the budget for next year and make sure we have proportional estimates in place. With regards to all of the Departments listed here, all of the Departments are doing a really doing a great job keeping their expenditures within their budget limits. And there are a couple of line items in non-

departmental that are running a little below the 50% mark and that is because by the time I prepared these reports, some of the invoices were just coming in. For instance, property and casualty insurance. That's typically a \$45,000 bill that we pay quarterly, and we haven't received that for the second quarter from last year. But normally, everything tends to catch up. I'm not sure if you have any questions about, the new Councilors might have questions about this. If you guys come up with anything, just let me know. Also what I like to do is provide, whether it be Councilors or Department heads, with the actual detailed ledger. That's a posting of everything, every expenditure we post to the GF account numbers, so everybody knows exactly what's getting those expenditure line items. If an adjustment is necessary then I can do that, move it. At this point we don't really see the need for any budget modifications. We've already performed the budget modifications that we told Mayor and Council about, so when we were in the process of adopting the budget, Mayor and Council approved some salary adjustments for everybody across the board and we had mentioned exactly on that page 58 how much was allocated, and it was about \$160,000 that Mayor and Council allocated. And so that has already been, the modification has taken place. And an example I will show you on page, of the detailed Financials that you have, take a look at page number 11, it's the last page, under non-Departmental, the very first line item. You will see the budget, \$509. It was previously about \$160,000 or so. So that amount has been taken out and it's been appropriated to the Departments with Mayor and Council's approval. I just wanted to preview you on that little change. Other than that, everything else remains the same. I did perform some budget modifications to some of the Restricted Budgets for grants and such. We did that for Housing as well in order for Betty to be able to meet her obligations that are coming up. We made sure to align her budget with where her actual expenses are. And I will be coming back to you all with a report on the Restricted Budget, but overall, as of the end of December you all had a gain of \$204,000 for the first six months. And that's really not unusual of the first six months, especially because a lot more sales tax revenue comes in because of the holidays. So you see that come in. Ok, so we looked at the current year as of December. Now I am going to going to hand out to you, I know, there's so many reports and there's going to be so many handouts to go over during the meeting. So, I'll pass these out to you all.

Vice Mayor Lopez: Thank you.

Acting Mayor Rogers: Thank you.

Ms. Aguirre: You're welcome. And for Councilor Valenzuela, I went ahead and I made a copy of this outline available on-line, and if she has access to internet, she can access the outline. We've got some really good information here, it helps everybody track along. And I just want to let everybody know that one of the things that I normally like to do is I like to post these reports and outlines on-line, so just in case you guys are interested in looking at them or referring someone in the public to our information, you can do that. So now we are going to go through the outline. The very first point that I want to talk about is our net fund position. Where are we at, total? General Fund dollars in savings, how much? Currently, our fiscal year '22 financials are being audited. We are going to have that completed by the end of the month, by the end of the month in March, that's the deadline for the State and for the Federal Government. Until then, I just listed it as preliminary unaudited, what's currently being audited, fiscal 2022. So take a look at fiscal year '22, that's the very first column. We had revenues of \$6.2 million, we had expenditures of \$5.8 million, so we had a surplus, we had a gain of \$321,000. That next line, take that \$300,000, add it to the audited fund balance for savings of \$1.8 million as of June of 2021, and now you have \$2.1 million. That's what we anticipate will be published on our audited financials for fiscal year '22, \$2.1 million. Now, Mayor and Council adopted a Fund Balance Policy, call it a rainy-day fund. With that fund status is at 20% of the budget so if your budget goes up, that

goes up proportionally. It's always going to be 20% of what your budget is. So follow me on the bottom of that first column. The fiscal year '22 General Fund Budget was \$6.9 million, almost \$7 million, 20% of that was \$1.3 or almost \$1.4 million. So obviously the Fund Balance position at the end of June '22 was higher. So there was excess savings. So that was end of June. Now we are going to go over to the second column, fiscal year '23. For fiscal year '23, as we have already gone over, we had \$2.6 million in revenues, \$2.4 million in expenditures, for a net surplus of \$204,000. Now add that to the \$2.1 million from June '22, and you have a total of \$2.3 million, Fund Balance. The bottom portion, just recapping the Fund Balance Policy for fiscal '23. If the General Fund budget was almost \$6.3 million, 20% of that is \$1.2 million. In essence, there's about \$1 million excess. Do you see what I mean by that? However, that is as of December. The year's not done yet. What if we experience revenue losses, or a really big-ticket expenditure that we can't get around because the roof is caving in and we've got to do something about it. So, that's at six months into the fiscal year, current fiscal year. One of the things I want to let you know is that in the budget, in the General Fund Budget, generally speaking any contingencies do come out of the Fund Balance. So I have made note of some key things to keep in mind, the first one being, the excess surplus is made up of one-time savings, one-time savings, so it's not recurring. Again, one-time savings, and again, that's at six months, so as of December. So the next thing I want to make note of is the Fund Balance policy again is a 20% requirement and it grows proportionately with your budget. So if you look at that 8%, or \$8 million, your Fund policy will grow to 20% of that. Excess surplus, and also I want to make note the excess surplus in Fund Balance can be used to cover some of the upcoming challenges we are going to talk about. Upcoming challenges. So, we said we were going to talk about where we were, where we are, and where we are going. In looking forward, here's some of the challenges that we are seeing. Page 2. You may have already heard about this. Because of the drop in Census population for the City, that also meant a decrease in state shared revenues. However, I've noted here that because the State's overall, I guess we could call it pot of money, it experiences growth especially with on-line sales, we were able to stay rather neutral, so we didn't experience loss. But we didn't experience any gain which we would have had our Census population stayed the same it would have been wonderful. But, nonetheless, we stayed the same, we didn't experience a loss. Things come up, State income tax. Ok, for those of you who are new on the Council, if you are ever looking this up on-line, City Code Tax is referred to as Urban Revenue Shares. Urban Revenue Sharing, URS, ok, just another word for State income tax. A few years ago the State proposed a type of a sweep from the State shared dollars, income tax dollars, sweep it from all cities and towns, so what we are looking at is they are going to be incrementally decreasing everybody's share. We just got, and I'm glad that I had the opportunity to complete this because we just got the estimates recently from the League of Cities and Towns of how much is anticipated. So, we are looking at almost \$95,000 per year reduction in our income tax. This of course is by fiscal year 2029. That's five years away. We are almost done here with 2023, right into 2024, and that's five years away. Then income tax savings, state income tax dollars will be going down by at least \$100,000 every year. So that is one area I wanted to bring your attention to. The next thing that I want to bring your attention to, revenue bond. We have a 2019 Series Revenue Bond. Just to give you a little background on this, this was the refinancing of the 2007 bonds for \$6.5 million, an old debt. This is an old debt that kept getting refinanced over and over and over, over the last three decades. Finally, it was refinanced in 2019 and what the City was able to achieve was a reduction in interest rate from 6.125% to 2.94%. It was cut almost in half. Another thing that was achieved is that with that reduction, we were also able to extend the maturity date out at least five years and gain some savings. So what you are going to see on that next table there is the savings we were able to achieve. So typically, and for years and years and years, the City had been paying \$600,000 on that revenue bond. It kept getting kicked down the line. With this refinancing in 2019 we were able to achieve a reduction from \$600,000 a year to

about \$400,000 a year. That's saving almost \$200,000 a year for five years. And that's what you all have seen reflected in your budgets. I just want to call your attention to, to say for the record, you find this line item on page 11. Page 11, under your Financial Report, Transfer Out Bond Payments. That is where you will see that total of \$400,000 allocated. So, very, very important. Next year will be the final year in which the City will pay \$400,000. After that, the payment goes up again. So yes, because of the reduction in interest rate, we were able to have some savings which helped the fund, but that payment is going to go up \$200,000. So just to keep in the back of our minds, because we just talked about how much we have in savings but as you can see, there's a lot coming up and as we work through the budget process we are also going to have discussions about what is crucial, what the Departments are looking at, what they need, and other things that may come up that we see as well on the horizon. So those things, decrease in Census population, state income tax, revenue bond payments, extremely important. Another one that is currently being discussed at the legislative level, under D, potential sales tax elimination in the following instances, and it could begin as early as fiscal 2024. Food from consumption, currently the sales tax rate is at 1.5%. The other one is residential rental tax. The sales tax rate is currently at 2.5%. Mr. Mayor, I don't know if you want to call a slight recess.

Acting Mayor Rogers: I need to get some water, I'm dehydrated.

Mayor Diaz: We will bring it to you.

Mayor Diaz: Ok.

Councilor Flagg: Does South Tucson have a residential renter's tax?

Ms. Moreno: Commercial, yes, but not residential.

Councilor Flagg: Hey, Lourdes, does South Tucson have a residential rental tax?

Ms. Aguirre: Yes. Mr. Mayor and Councilor Flagg, the City of South Tucson has a residential rental tax, sales tax at 2.5%.

Ms. Moreno: If I can address this real quick, because Councilor Flagg asked me and I was thinking about what you charge for the license fees.

Ms. Aguirre: No, no, no, no.

Ms. Moreno: But state law still allows for residential.

Ms. Aguirre: Absolutely. Mr. Mayor and Councilor Flagg, just to give you a little bit of background behind that, in the past cities and towns have had the ability to track and internally license residential rentals, which would require inspections, make sure the living conditions were proper things like that. But it's been quite a few years since the Legislature did waive that ability of cities and towns to be able to do that. And so that no longer is a State statute. We no longer track, we lost that ability but that sales tax is still there. There is also a couple other cities and towns that also have it. In our next section, our next item, there is going to be some really interesting information, some links, some internet links that you can follow for more information. And for the City, and thank you all for the little break, but ultimately what the City stands to lose is about \$170,000 a year with the loss of these two industries.

Councilor Flagg: That's crazy.



Ms. Aguirre: So already you can see the dollar amounts start to add up. Yes, we have savings, but you add it up. But it is our job to let you all know what is coming down the line. So now let's go on to page 3. The other thing I wanted to discuss with you all was pension contribution rates and the expense for next year. This is for Public Safety, it's the biggest concern because state retirement and all City retirement is at about 12.5%. It goes up ever so slightly but these percentage rates, contribution rates for Public Safety are astronomical. So you'll see there, for Police, for the Police Department, the percentage rate for contributions is going up from 144% to 153%. That's an increase of about 9%. For the Fire Department, it is going down, it's going down. And in the next item I am going to discuss with you all some reasons as to why it is going down. And the other thing is, there's no contributing bodies right now. This is primarily the Reserve Fund, primarily Reserve fund. So there's no funding pumped into it but we are going to get into that a little more in the next session. So overall, overall, the pension expense went down ever so slightly. But that's mostly because you don't really have bodies contributing on the payroll roster on the Fire side. And you see a little increase on the Police side, and I expect that there is going to be a little more increase as time goes by because the Police Chief just filled a couple positions that have been vacant for a while. So you are going to see all the numbers catch up probably in the next year or so that 150% is going to go up as will long-term debt. Let me inform you, things that I mentioned to you all, and it goes here to those listening as well, a lot of times when you look at a budget, when you look at a salary roster, the assumption is made that the total amount that is listed under pension is for that individual. So something that I want to clarify is that that is not the case. It is simply a mechanism that PSPRS has provided, its percentage rates are simply a mechanism that they provide to ensure the City every payroll is making a fair share to meet the total contributions at the end of the year. So in reality, yes, the portion that is on the budget is for that individual, but the majority of it is what is called legacy, legacy debt for anybody and everybody whose been through the system under South Tucson, to whom South Tucson Police owes retirement. Alright, the other thing I want to mention there and the second point, and I'm going to read it. Although the employer contribution rates for the Fire Department reflect a decrease, the rates did not count for an increase in salaries or added staff within employees. The 219% is based on the published minimum required contribution of \$235,000 and added salaries of \$111,000 for the two full-time employees that are listed in the budget, two additional positions, plus an additional 8% for normal cost. So I am basically telling you in this paragraph how I arrived at that 219%. The next one. If full-time positions on the roster are filled, something to keep in mind going forward, if any of the full-time positions in Public Safety, the Police, Fire, if any of them are filled, then you can expect the long-term debt for each employee to be added to the City's debt. And I have mentioned to you all, currently the combined, long-term debt for both Police and Fire is about \$13 million, \$14 million. You may recall, which we will have to budget in the event you want to do a refinance on the bonds and lower interest, saving money. \$14 million. So if you fill the vacancies, it's what comes with operation, right. I ask you to keep that in mind, it has a long-term effect. So the next item,

Ms. Moreno: I have a real quick question on that particular statement that you just said. So if the Council were to be able to refinance the \$14 million, would it be in the City's best interest to fill any position in Public Safety after that because our interest rates would be less?

Ms. Aguirre: That is correct, that is correct. I'll be very, very brief. If the City issues bonds, say gets a loan to pay off the debt at 7%, with PSPRS, then all of a sudden, the City is 100% funded. And any new bodies that come on board after that, you would be starting at the normal 8%. Something to keep in mind. So that is the whole objective. That is the reason why we want to be able to issue pension bonds to pay off that debt so we can have a more stable, predictable payment annually, because what we are seeing with PSPRS is that there is going to be an upward fluctuation coming very soon, and I didn't even list that on here. We are expecting



really steep heights. Their formulas are designed to help all the municipalities reach eligibility status. How are they going to do that? By increasing the contribution rate. Another thing that is coming up here real soon that is a part of the budget process, is that when Mayor and Council adopt a budget, they also approve the pension funding policy. Now this is required by statute. Mayor and Council will go ahead and approve what they want to pay based on the actuarial reports that are published by Public Safety Retirement System. And so for next year, the minimum required payment is \$1 million. That's the minimum required payment. So let's say, worst case scenario, the City struggles, it has to make that \$1 million if that is the minimal. However, you are covered because as you can see up top expected expenses are at \$1.2. And that is based on your budgeted position. So you are going to meet that minimum requirement and then some, just a little bit more. So, upcoming presentations and planning. One of the things I really want to work on is a five-year model for you. I want to work on a five-year model so that we can put all of these variables that we talked about, all these challenges, you could see what the net effect would be. Another thing is that around mid-March is normally when we have the baseline, what we call the Baseline Budget for the next year available for you all to look at. The next meeting is March 7<sup>th</sup>, the one after that is March 21<sup>st</sup>. So it's the first and the third and I normally have the Baseline Budget available mid-March, and that would be on the third, unless you all want to have something sooner, so we stick to the third one of the month, and just let the new members of the Council know what the Baseline Budget entails. Essentially, I take our finances, I'll take them probably as of February. I will project, based on trends, where we might end up by the end of the year. I take the total for the current year forward to the next year, and then apply inflationary factors that I know are coming down the line. For instance, these increases in pension rates, any increases across the board, whether it be in some service contract for Departments, or increases in medical insurance, or property and casualty. Big expenses, inflationary costs, that's what I add to next year's budget. But it basically means status quo because what the status quo is going to cost you next year, ok, and what we're starting on. So the third meeting of March is when we are going to be reviewing that and at that point, Mayor and new Members of the Council, we will also go through a little more in-depth of what makes up our revenues and our expenditures. Then in April, in April we come back to you all and we talk to you all about what are our needs, because we have an on-going list of needs, ok. We have a wish list here too, but we quantify the cost for the needs of every single Department. So Mayor and Council also, you know, give their input as to what they would like to see in the budget, if the budget allows for it and then what they want to grant the Departments, what could be done. Alright, so we go through that process in April. Just giving you an idea of what we are facing here. And closer on in May is when we go over the Restricted for special funds. We let you know about any grant applications we applied for, any that we are putting into the budget, where we are at, especially with Housing, ok, your operating funds and capital funds, CDBG, we give you everything. And I get to give you a little guide as well because we have many Restricted funds. It might not be large but a lot of distributed funds. So that concludes this section. I don't know if any of you have any questions, that's a lot to take in, but this isn't the first time we are talking about these items here. That's why I have prepared it the way I have for you all, an outline, is to get the main idea. We are going to be bringing it back, referencing it. Mr. Mayor, it's pretty much what I have for Item #12.

Mayor Diaz: Any questions?

Councilor Aguirre: Yeah, so looking at this in the preliminary unaudited budget, under expenses, where it says Fire Department, you see it has Fire Reserves separate from Police Department, does those get, do those expenses include the pension in that? I just wanted to make sure they are in the same item and then I noticed

that service, then I noticed leases next to it and the number's really low, so I just want to get a better idea of what exactly I am looking at. Thank you.

Ms. Aguirre: So Mr. Mayor and Councilor Aguirre, what page are you looking at?

Councilor Aguirre: I'm looking at the Preliminary Unaudited that was presented Mayor and Council 02/21/2023.

Ms. Aguirre: Oh, I see, yes. So let me refer you to where you will find the details. On page 7 and page 8 of the attached Financial Report.

Councilor Aguirre: Ok. Thank you.

Ms. Aguirre: And just to break it down a little bit more, on page 7 you will find the general order number for State Retirement. It's the third item down. And that is PSPRS, Public Safety Retirement System, those large percentages. What you see on page 8 is the Volunteer Pension Plan which is at a 5% contribution, ok.

Councilor Aguirre: Ok. Thank you.

Mayor Diaz: I have a question. In regard to the franchise fees, that covers cable, telephone, all that stuff?

Ms. Aguirre: Yes, Mr. Mayor, it covers cable, gas, electricity and there's another one.

Mayor Diaz: What's the rate on that? What do we charge?

Ms. Aguirre: Mr. Mayor, let me come back to you with that answer. I don't recall off the top of my head, but it wasn't too long ago that we complied with State statute to have it published and have the people vote on it, on those franchise fees, ok. So I think in 2016 when we took on those franchise fee agreements to a vote, but I will look into it and get back to you with the rates.

Mayor Diaz: Ok.

Ms. Aguirre: So those are amended at the time when it is up for a vote and that's about 20 years or so, 25 years. Thank you. So it will be up in 25 years, or 20.

Mayor Diaz: I guess we mentioned about the County attorney hitting us up for dog catching, I guess, and you mentioned it was done in 2021, was that the County decided not to charge us.

Ms. Aguirre: Mr. Mayor, that was actually done in the current fiscal year, so coming into fiscal '23 that's when we got the good news that the County was no longer going to charge the City of South Tucson for animal control, animal care fees, so it won't find it on the budget.

Mayor Diaz: So that's \$90,000 we could put some place?

Ms. Aguirre: So \$90,000 that you saved in the current fiscal that will be re-appropriated.

Mayor Diaz: Thank you.

Acting Mayor Rogers: The next item is Item #13.

Mayor Diaz: The State Revenue Fund, is that the 18% that is established on that?

Ms. Aguirre: Mr. Mayor, the State Revenue Fund, states shared revenue, is that what you are referring to?

Mayor Diaz: Yes, ma'am.

Ms. Aguirre: The State Shared Revenues can be found on page 18, I'm sorry, on page 1 of the detailed report.

Mayor Diaz: Yeah, right.

Ms. Aguirre: And you will see how it is broken down in the middle of the page for intergovernmental revenues, urban revenue which we know is income tax, state sales tax, auto, which is licensing tax and those are the three state shared revenues. HURF has a fund of its own. The Highway Users Revenue Fund is also a state shared revenue, but that has a fund of its own.

Mayor Diaz: Ok, but is that set at 18%?

Ms. Aguirre: No, Mr. Mayor, I don't believe that there is a percentage on this, so essentially if state shared revenues experience growth, then we get a proportional share based on our population.

Mayor Diaz: Ok, based on population.

Ms. Aguirre: Yes.

Mayor Diaz: Ok, thank you.

Councilor Aguirre: Just one question under the Volunteer Reserve in the Fire Department in the budget, there's a volunteer pension fund? I hadn't heard anything about that before, so if you could, I realize the numbers aren't really high, but the amount of money, I'm just curious to know more about that, because I hadn't heard about that before.

Ms. Aguirre: Yes, Mr. Mayor, Councilor Aguirre, that was actually established decades and decades ago. City Manager can correct me if I am wrong, but I believe it was like in the 50's when it was established. And so the Fire Department was really a volunteer program. And this was established as an incentive to get them out volunteering. Those who have met the 20-year requirement, and what I've seen, I've been here for quite some time, and I've only seen five on that list. They get \$150 a month, which I'm sure helps, but it was just a little something when it was established at that time.

Councilor Aguirre: Thank you.

Ms. Aguirre: Any other questions?

Acting Mayor Rogers: No, let's go on to the next item.

Mayor Diaz: Any other questions? We will be doing this a couple more times.

Acting Mayor Rogers: Three or four months.

Councilor Aguirre: I'll definitely have more questions then.

Acting Mayor Rogers: Let's go on to Agenda Item #13.

Mayor Diaz: Alright, Item #13.

#### ITEM #13 - STUDY SESSION: FIRE DEPARTMENT SERVICE OPTIONS

Mayor Diaz: I'd like a Motion to Enter Study Session.

Acting Mayor Rogers: So moved.

Vice Mayor Lopez: Second.

Mayor Diaz: All in favor, signify by saying Aye.

Councilors: Unanimous Ayes.

Mayor Diaz: We are in Study Session.

Ms. Aguirre: Ok, Mr. Mayor and Councilors. I'm so sorry, I forgot to make copies. Would you like me to make copies of this Item for the people present?

Mayor Diaz: I don't know how you are going to present it.

Ms. Aguirre: On paper, based on the packet.

Mayor Diaz: I guess copies.

Ms. Aguirre: You want me to make copies? I'll be very quick.

Ms. Aguirre: Thank you all for your patience. For this topic it is easier for us to track along with this information. Mr. Mayor and Councilors, I'm not sure, City Manager, if you would like to give an introduction or just jump into it.

Ms. Moreno: I think we should go back to this topic. Mayor and Council instructed Staff to go over options related to the Fire Department services, and we have gone back and forth, made a lot of phone calls. Lourdes put a lot of work into this Item, and if you read the Executive Summary given to you, it gives a summary of how we arrived here. So Mayor and Council, this has been an ongoing issue, so it's been carried through many Councils that we've witnessed. So far it's been status quo, the method of operation was working, you know, as far as utilizing the Reserves as much as we could until recently we discovered that we could not because it did not meet the criteria of Public Safety. So going back to Councilor Aguirre's question, he asked about the Reserve Fire Pension. So it was in our minds they were already contributing into a pension, so to speak. Needless to say, they met the criteria of the State pension. So it required Lourdes to go back in time, two decades worth, to look at who, over this period, has met that criteria as far as being Firefighters, you know, whether you call them Reserves, full-timers, whatever you want to call them, we call them Reserves. The purpose of having a Reserve Firefighter is to augment full-time but because of the recession, if you look at your Summary, you will see Lourdes was put into a really hard position of having to balance the budget and at that time it appeared to be ok to utilize Reserves to fill in the schedule with unlimited hours. So we discovered that there is a limit because of the criteria. We fell into a situation where we had to stop that method of staffing the Department, giving caps on their hours. So the Reserves that we have, we have about 40, but of course, about 10 or 15 of them put in more time than the others. You heard the Chief in recent meetings, let Mayor and Council know they're in a crisis, and something needs to be done. It is getting harder and harder to staff the calendar day to day with Reserves having limited availability. They have full time jobs with other Departments, so this is supplemental to what they already do full-time. Most of all of our Reserves are full-time with other agencies, so we need to be able for them to be firefighters, but in order for us to meet that pension criteria and help save the City some money, they cannot work more than 36 hours per week or 72 hours per pay period. So since we discovered this, we tried to find creative ways to entice them to put in more hours. We increased their hourly wage. Mayor and Council previous to you all, or at least the three

newly elected, approved a premium pay so the Reserves could get paid when they worked holidays, what we call premium pay. Recently again, trying to entice coverage and availability for Reserves, I sent out a directive asking, or letting our Reserve firefighters know if you work a minimum of four hours per month, or 96 hours, or equal to 96 hours per month, there is a stipend of \$250 that they can get. It has helped a little bit. We are having more and more Reserves, but we are also discovering they don't want to work Saturdays for whatever reason. And of course, you know, it's day-to-day so they can call in tomorrow and say they can't work their scheduled time because there is no way to hold them accountable because they are Reserves, it's based on availability. That, as well as what you heard from the Chief as far as getting coverage, we talked about the age of our apparatus, the two we have. One is 25 years old and the other one is over 20 years old. So we are at a point in time where something needs to be done. So Council directed Staff to look into options and the Mayor mentioned an increase in tax. And Mayor mentioned looking into a fire district, so Lourdes has prepared a track for you to go over on what those options entail. Are they viable, are they practical? So that is something you all can hear tonight. A decision does not have to be made, this is food for thought, research has been conducted for Council to consider and know this is fact checked. And know a lot of these options do take time, the implementation process. There is no promise these things will happen. Some of these the Council does not have a say-so in, like the fire district. I will let Lourdes get into the details of that. So that is kind of where we are at now. We had already been in discussions with an outside entity up until there was an election, and we have new members. So we had brought up in previous meetings that we have initiated the conversation with regard to would it be possible to entertain maybe outsourcing service, so that conversation came to a halt because we have new elected officials here. So, it's still on the table but the conversations stopped right when there was a change in Council. So now we are coming back to Mayor and Council with options. That is one of them and then we will eventually come back at a later date with direction. The chart that Lourdes has for you does not include the cost for equipment, we did not include anything to do with OSHA standards and things like that. All we are going over here now this evening is what the current budget has and what it cost for other options.

Ms. Aguirre: Thank you, City Manager.

Ms. Moreno: You're welcome.

Ms. Aguirre: So, just to add a little bit to that, in your current budget for fiscal year 2023, you do have three full-time slots for Fire Department, ok. However, it was at the previous Mayor's direction to hold off on filling them, those positions, until he really wanted to get a permanent fix because the structure wasn't working. We have operated with that type of structure for as long as we can remember, and it wasn't working. It's in the budget but I wanted to give you that insight. So some of the things that we are going to be going over today are an analysis, a ten-year analysis of the Fire Department's budget to actuals, ten years' worth. We are also going to look at general fund revenue options that the Mayor had proposed at the previous meeting when we discussed this item. And also, we are going to look at that chart on fire service options. So the first one, let's take a look at the budget to actuals. The reason why I decided it would be good to put this report together is, you know, I've heard a lot of comments, well, the Fire Department has savings, they have savings, let's put it to use. Essentially, essentially, what you can see over this 10-year analysis going back to 2013, I've got budgets to actuals. The net of all those is a cumulative deficit at \$27,000. So yeah, year over year they have had some gains, some losses, but the net over the ten years has been a deficit of \$27,000. I mean, so they utilized their money. Another misconception that I want to clear up for people is that when Mayor and Council assigns a budget to the Department, that's not for the Department to keep a savings of their own.

This is the General Fund of the City. So if you do not, if you have savings at the end of the year, those savings get rolled up with all the other Departments into the City's General Fund balance for savings that we were just going over. So I just wanted to clear up that misconception. Cumulatively over the last ten years they had a deficit of \$27,000. That's not bad, that's not bad at all over ten years. They operated within their budget so this kind of shows that on one side, the Reserve program worked because you were able to keep the budget low. We needed to keep it low. Our revenues were low, right. So you needed to keep your expenses low, so having the Reserve program in a sense helped you achieve that. Look how close you got in ten years. However, on the other side there was this issue how you utilize Reserves, Fire Reserves, whether or not they met eligibility criteria. You see that big payment there? Reserve pension eligibility, payment to PSPRS. The City paid \$2.3 million. \$2.3 million over the course of four payments in the last two years, two to three years. Luckily what you see in the financials is after that, after those payments, we were able to pay it off. That \$2.3 million was for those individuals, Fire Reserves, that met the criteria according to State statute, based on the amount of hours they worked, so obviously they worked a little more, they met the eligibility. And that was based on those twenty years of payrolls that I analyzed. A lot of information. Those all paid off. So on the other side of it, does the Reserve program really work? There's no way around it, having a Fire Department is going to cost and it comes with costs such as pension. There's pension costs. There's really no way around it. We tried it, we stopped, can't get around it. So that's what this Exhibit, Exhibit 1, is about, the ten-year analysis just to show you where we thought we were, and then what we have to date. Now, Exhibit 2, it goes over the General Fund Revenue options. So during that meeting when we discussed this preliminarily, Mr. Mayor gave us the instruction to calculate, ok, how much would an increase in sales tax generate if we increased it by 0.02%. So to verify, we went back to the Minutes and listened to it, and yes, 0.02%. On second page, Exhibit 2, you will see a list. Table 2.1 you see a listing of all of our industries here. Look at the column, the second to the last column. For a 0.02% increase we're set to gain \$16,000. Take it a step further, and I thought, what would a quarter of a percent give you. It would give you \$208,000. If you increase all sales tax rates across the board by a quarter of a percent, \$208,000. However, as you can see on Table 2.2, we've got the City of South Tucson, the industries, the sales tax rates in comparison to all the other jurisdictions. The City of South Tucson is already at the highest. In fact, you compare it to all the sales tax rates all over the State, we are one of, if not the highest. If you guys want to see the sales tax rates for all the other cities and towns, all 91 of them, you can follow that lead. Now Table 2.3, I put it in there just to give you a visual when it comes to property tax. Primary tax, secondary tax. The City of South Tucson collects only \$.23 per \$100 value. Based on City values of about \$25 million, the City brings in about \$59,000 per year. That's it, based on the constitutional limit. For the \$.23, we only get \$59,000. And there are three agencies that provide us with those documents and estimates and information and limits, constitutional limits. It's the Property Tax Oversight Committee, Commission, Pima County Assessor, and the Arizona Department of Revenue. Usually they send us a letter saying these are what your values are, what your limits are. Some of the jurisdictions as you can see, Marana, Oro Valley, Sahuarita, have property taxes. City of Tucson does, they collect \$.43 per \$100 value on the primary, and on the secondary they collect \$.90. So about \$1.30. That's almost six times more than the City of South Tucson collects. I just wanted to bring that to your attention and if you guys are interested in looking at what every jurisdiction collects, what their rates are, you follow that lead.

Vice Mayor Lopez: I've got a question. When we passed the secondary tax that was implemented illegally, I think it was, what was the percentage of that?

Ms. Aguirre: Mr. Mayor and Vice Mayor, the rate that was collected during the period of about three years was about \$2.50 per \$100 value. And it was paid. Fast forward a couple years, you did away with it, quite



some time ago. We settled and we are repaying the County for that settlement and that is in your budget. Every year we pay about \$87,000, so we don't want to do that again.

Ms. Moreno: That's because that secondary property tax needed to be placed on the ballot.

Vice Mayor Lopez: Yeah.

Ms. Moreno: For voter approval. That was the wrongdoing is that the Council approved it, but it should have been put on the ballot for a vote.

Ms. Aguirre: And allow me to clarify that that preceded our time.

Councilor Aguirre: So like what was just mentioned, I know the secondary property tax is out of our hands and needs to go to the voters on the ballot, but I would like to see the numbers if they were passed by our City, if our voters did decide to go with this in the future, how much would it bring in per year? I'd like to see those numbers. I don't know if you would compare it to the amount that was being taken before or if there are new formulas, or how that works. But I would really like to see how much more revenue we could bring in because the sales tax is very concerning to me. It always has been and the fact that we're taxing poor residents in South Tucson for food is a big deal for me, too, so I hate to go down that route and think that looking at the way the property taxes are set up, especially when you compare to the City of Tucson, this might be one of the ways we could look at trying to bring that revenue in if that's something our City decides they would want to do, the voters.

City Attorney Paladini: Let me make a point on that, though, Mayor. And that is typically your secondary property tax is where you issue general obligation bonds. When you issue those types of bonds there for a list of projects, you're going for, it's a capital project so if you were going to build streets or you're going to build a community pool or whatever it is, and you want to borrow \$30 million, you've got to bring it to the voters and they are approving both the rate to pay your bonds back say over 20 years, plus all the projects. So it's not really operational money or General Fund money typically. So you can't really use it as a General Fund operating cost. You are basically borrowing for long term, you're telling the voters, hey, we're going to do all this great stuff, we're going to build this great thing, but we need you to pay for it by way of your secondary property tax.

Councilor Aguirre: So that could then be used for capital improvements to our Fire Department, things of that nature?

City Attorney Paladini: It could.

Councilor Aguirre: Ok. That's where I'm kind of getting at, that's what we're trying to figure out. Thank you.

Ms. Aguirre: Mr. Mayor and Councilor Aguirre, thank you for asking that question, and thanks Jon for hitting the nail on the head. Another thing to keep in mind with GL Bonds that require voter approval, not only are they for capital improvements but they are also subject to constitutional limit. So the amount of money that they could generate for any improvements or capital needs is limited. There is also a sunset provision on us. So it's not perpetual funding.

Councilor Aguirre: Right.

Councilor Valenzuela: What's the limitation? Constitutional limit, what's that amount?



Councilor Aguirre: Mr. Mayor and Councilor Valenzuela, I can pull that information up from previous presentations to give you guys an idea. I do have it available, but I don't have it on me right now.

Councilor Valenzuela: Thank you.

Mayor Diaz: I have a question. There was a question regarding a Pima County charging on a Business Code 14, I think it was, regarding personal property rental and I guess it was equal to that \$6.5 zero on 02/14, but this 14 category was separate under Pima County. Were you able to look up that?

Ms. Aguirre: No, Mr. Mayor, I was not able to look it up but I am writing it down so I will look it up, because after our conversation, you mentioning this, me taking a look at the roster with the Department of Revenue and not seeing a rate for Pima County under residential.

Mayor Diaz: That's where I got the information about that chart.

Ms. Aguirre: So Business Code 14.

Mayor Diaz: 14, yes.

Ms. Aguirre: I will look into it. Ok, constitutional limit for Councilor Valenzuela on a secondary. Ok, very good. So that is the information we were able to prepare with regards to General Fund revenue options. Now the third option, the third thing that I want to go over is Fire service options. This is on the third page, service option #3. So this chart was put together to just make it really easy for you all to look at all these options side by side. We have had sessions with professionals with these different agencies to be able to gather the facts and put it on this report for you. Additionally, I did have an opportunity to review it and kind of fact check it with Captain Luna. So what I've got here for you is a listing of all these items. So, we have here, first option here, we could keep Fire service in house because the City has to provide services. The City is not going to stop providing service for fire and medical. It will not stop. It's just, how do you provide it. So options for how to provide it: the first two there are for providing the service in house. And we had originally spoken about this when I issued a memorandum to you all, giving you guys an idea of the cost, so one of the options was for staffing three positions per shift at full-time. And the other option was for staffing four positions at full-time. However, what you notice here is that grayed-out of the first option for staffing three full-timers. The reason for that is it doesn't meet NFPA standards. So if the whole purpose is to fix the problem and become compliant, NFPA compliant, you need four.

Councilor Rogers: Yeah.

Ms. Aguirre: You need four, so that is one of the reasons why I have grayed-out that first item there under in house, the item for staffing at three full-timers per shift. The other item that I want to call your attention to is service option #4. You see service option #4? At some point in our discussion somebody asked, well, why can't we just contract it out to AMR for medical only? Well, the answer is you could, but it's going to cost you just as much as providing fire and medical service. But this option doesn't come with fire. So does it meet the NFPA standards, right, because it would be to cover only medical, not fire. So that's why I grayed out service option #4. Because at a minimum, you can see how much it would cost. We're starting every single option off with \$1 million with the exception of service option #2 for Fire District. The reason for that is a Fire District is a completely separate taxing entity. You don't get money from one agency to another, they don't give money away. So that's why they start out with zero in the budget. So all the other options start at \$1 million that you already saw in the financials. So under that service option #4, you start off with \$1 million to provide medical

only. You're looking at adding about \$2-3 million to your budget. So how do we cover that cost? And then, how much would it cost to bring on coverage for Fire? So, you know, it's not reasonable. So that is the reason I grayed out those two options there. So let's take a look at all the other options for in house. Options #2, 3 and 5. Let's walk through this and look at the comparison there. So again, you're starting your budget off with \$1 million. To be able to hire four full-timers to meet an NFPA standard per shift, you would have to add about \$2 million to your budget for a total of \$3 million. This does not include the cost of equipment as the City Manager just mentioned. It does not. The cost of fire trucks can range anywhere from \$700,000 to about \$900,000. Accounting for inflationary costs, I used an estimate for \$900,000. And you have two of them that are not in good shape. So let's say Mayor and Council wanted to look at a lump sum payment for equipment, \$1.8 million. Add that to your \$3 million. And now we are looking at closer to \$5 million, just for having four full-timers per shift and two fire trucks. It still doesn't account for the rest of the equipment they may need, or the need to make the facility OSHA compliant. As I mentioned, this is just to give you an idea. Now, if you financed the equipment, got a loan for it, based on, and I've included a note at the bottom, based on an estimated interest rate, because you know interest rates are rising, based on an interest rate of about 5%, and I think that might be a little low still, and a 14% down payment, over ten years it would cost you almost, it would cost you \$650,000 to finance. So just giving you all an idea, a picture. Now let's go over to service option #2, again, that one has been zeroed out. Service option #2 is for Fire District. It's been zeroed out because it is a separate taxing entity. The budget for that would run about \$3 to \$4 million. Service option #3 through an RFP like Rural Metro that provides fire and medical. The cost is just about the same. It's just about the same because they provide, they're the ones that provide services to the fire districts. Now the total budget would be at about \$3 to \$4 million. You do start out with \$1 million in house but how to you generate \$2-3 million. And then the final option that I will share will you is service option #5, an IGA with the City of Tucson. You are starting off with a \$1 million budget and a potential increase of about \$.6 million. So that's a little over half a million. For all in, \$1.6 million. And that was a preliminary estimate, preliminary, no discussions, but that's the idea they gave us. Now let's go down the line here. So all of these options that we just discussed meet FNPA standards. I have included some comments in here from options #1 through #3, they do not account for additional coverage. So if your fire truck is out on a medical call or on a fire, and another call comes in, these budget estimates don't account for coverage. That's not the case should the City engage with the City of Tucson. The City of South Tucson establishes the requirements on the agreement to cover medical and fire which they will be paid for, ok, and they have to meet. So the City of Tucson, if they get a medical call, will there be coverage? There will be coverage. They have at least three or four surrounding fire stations. I'm just giving you all the information. And then there's also catastrophic event. Catastrophic event.

Acting Mayor Rogers: I like the last one, would that be one, on 6<sup>th</sup> Avenue?

(Inaudible, multiple conversations)

Ms. Aguirre: Spanish Traill, ok. So in a case like that, cities like ours are never equipped for a catastrophic event.

Acting Mayor Rogers: But we know that.

Ms. Aguirre: The larger cities tend to be. The City of Tucson and Northwest Fire, they are equipped. They're larger, they're equipped. So now let's go over implementation. What requires voter approval? The only option that requires voter approval is a Fire District. So that one is outside of Mayor and Council's control.

And if the crisis is now, it would take much longer, it would prolong the problem. And in the end if it's not approved, you're back to square one. You're back to square one with planning. Now, Mayor and Council has the authority to approve option #1, four full-timers, option #3 and option #5. Option #3 being issuing an RFP to Rural Metro for an increase of \$2 to \$3 million on the budget, or an IGA with the City of Tucson for an increase of about just a little more than half a million. You have the authority to approve these measures as long as you made sure the company paid them. We've just gone over the cost of them. So here's some pros and some cons. First responder coverage, you can see there in service option 1, 2, 3 and 5, well, 1, 2 and 3, that first responder coverage is standard, ok, for providing the service in house if you staff at four full-timers, because you meet FNPA standards. You know, if the Fire District option was approved by the voters further down the line, then that meets the standard. As does service through Rural Metro through an RFP. An IGA with the City of Tucson would provide coverage above standard because not only do they meet the standard, but they have additional coverage. Now let's look at this next line item. Does it add long-term liability to the City, long-term debt to the City? So we just got done talking during the previous segment about how much long-term debt the City has related to pension, about \$14 million, ok. And at this point the City is in a position, especially with the Fire Department, where you can determine whether you are going to add more debt to that or keep it as is. Everybody you hire is going to add quite a bit, ok, just keep that in mind. So under option #1 for in house, yes it would add. If you add four full-time bodies, it would add to your long term pension debt. And Fire District, no, because it's a separate entity. So you would be ok, it would stay static, you wouldn't add more long-term debt. If you did an RFP for Rural Metro, you would not add a long-term debt because they are not, they have a pension of their own, they have their own benefits, so you're contracting services out, as with an IGA through the City of Tucson. There's no added pension debt there because you are not hiring individuals yourself. Budgetary expense, now let's look at these options across the board, are they greater than 100%? Well, right away you can see. Option 1 for in house, you have to almost triple your budget to hire four full-timers, ok, per staff per shift. Under option #2, you would have no increase in your budget because again that's a separate taxing entity, a Fire District. Something to really keep in mind, though, is that look at the cost that is associated with providing a service, a fire service. If you go do your research on-line, you are going to find that Fire Districts, that's pretty much their operating budget, ok. Now, to try to get that much money from a small fire station, how much do you think the rate is going to be to generate that much money? Just keep that in mind again. When it comes to service option #3, through Rural Metro, through an RFP, the increase in cost is almost three times higher for that as well. So, these are the options, those are three hundred times higher, those are the options that you really ought to think about how will you generate money. You just got done looking at the challenges we are facing in the previous item. We are going to be looking at the baseline budget here next month and we will see at that point where we are at, so just keep that in the back of your mind. How much money needs to be generated?

Acting Mayor Rogers: Can you tell me, how much money do you need to have for four people for our people in our City? How much money? I mean say we bring in a new Fire truck, the native have been trying but loves us. What are the grants from the new Planning and Zoning person to get this kind of thing going instead of, we can't do it. We need the people here to let the Council know that they pretty much come first, because I really enjoy all your contributions, you know that, but I still have a group that voted for me.

Ms. Aguirre: Yes, absolutely, absolutely. Definitely, your constituents need to know what this all entailed in those. The cost associated is crucial. City Manager, do you have anything to say to that, with regards to grants? Because normally, with any jurisdictions, when any institution is planning financially, they don't utilize grants in their sustainability because there's a 50/50 chance whether you get it or not. So that is one of the

reasons why I did not put a line in here for grants we are applying for, because if we want to be sustainable, we can't have them. We always do try to apply for grants like we do. We got two police vehicles and we have attempted for fire trucks, but they are very competitive because everybody else wants them too.

Acting Mayor Rogers: We had, like that person that we had here, do you remember the lady?

Ms. Aguirre: We, I mean, we always try to apply for grants, but we can't account for them in our sustainability. When it comes to budgetary expenses less than 100%, the only one that applies here is an IGA with the City of Tucson, at a 60% increase versus a 300% increase with the other options. You have a full backing of all their service. Additional benefits, additional benefits. Is it going to cost the property owners or businesses? Not with the City of Tucson option because the cost is reasonable and I really think we could do something with that through the budget, ok, especially as we climb forward and if we are able to achieve pension bonds, that's a possibility. However, the other three options, the Fire District would be taxing your community directly, if they approved it, at a high rate. Option #1, in house, it would cost the community if you raise taxes anywhere, you're already at the highest rates. Under the RFP, option #3 for Rural Metro, you would also, you would still have to come up with \$2 to \$3 million for an option like that. So it would apply a certain increase in costs to residents and the business people, but again, you would be thinking of ways to generate the money. Sales taxes, property taxes, constitutional limit on both, and then your secondary can only be used for capital improvements. Additional benefits under the 5<sup>th</sup> option, the IGA with the City of Tucson is that property insurance rates will drop for homeowners, for business owners, just because of the class of Fire Department they are. I just wanted to give you this introduction. I know it's a lot of information to take in, ok.

Acting Mayor Rogers: Thank you.

Ms. Aguirre: But we've gone through it all. If you guys have any other questions let us know and we will look it up, we will do the research and come back to you. I just wanted you all to have all this information and have a point of reference for any of the options, ok. We will be talking about it later, so this isn't the first time. Any questions?

Acting Mayor Rogers: This is what we get for missing one meeting, one a month doesn't work. Thank you.

Ms. Aguirre: You're welcome.

Mayor Diaz: Thank you. You put in a lot of work, and I appreciate it and I'm sure everybody here appreciates that.

Councilor Flagg: Yeah.

Mayor Diaz: Thank you very much.

Ms. Moreno: If I may, Mayor and Members of the Council. We were for a long time our own Fire Department because of how we were running. I got calls from other Fire Departments and Fire Districts, how do we do it, how are we saving money, tell us how you are doing it, you know, and it looked good up until we discovered that we met that criteria, so the timing of this, it's never a good time. The liabilities are (inaudible) moving forward. As I said at previous meetings, it is the City's, the Council's fiduciary responsibilities to ensure that public services are at ultimate service levels. And whatever decision you make, I think you will, you know, the public's interest is the most important here. I remember what I heard about Theodore Roosevelt. He was a

firefighter in his time and his goal was to make sure public interest was a number one priority. Right now what we've prepared here, what we've shown you, this is all within the approval of developing decisions of the Mayor and Council, but we do give recommendations, what your options are, because you have other options, if you want us to do more research, please let us know. Time is really of the essence because part of staffing the Fire Department, you know, you have two apparatus, one is a 1996 model, the other's a 2002 model. So as of now we only have one person on the shift to willing to cover, which is not ideal. This is day-to-day for the Chief to make phone calls to Reserves to see if they can come in, but this day they didn't come in at all. So it's kind of where we are at this point.

Mayor Diaz: Any other comments?

ITEM #14 - ADJOURNMENT

Vice Mayor Lopez: Mr. Mayor, I'd like to make a Motion that we adjourn.

Councilor Aguirre: I'll Second that.

Mayor Diaz: All in favor, say Aye.

Councilmembers: Unanimous Ayes.

Mayor Diaz: Thank you.

Acting Mayor Rogers: Thank you.

The meeting adjourned at 9:42 p.m.

Mayor \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Veronica Moreno, City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Agenda Meeting of the City Council of South Tucson, Arizona, held on the 21<sup>st</sup> day of February, 2023. I further certify the meeting was duly called and a quorum was present.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

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Veronica Moreno, City Clerk